



Board of Commissioners

Senator Robert Singer, Chairman

Raymond Coles, Vice Chairman

Anne Fish, Treasurer

Samuel Flancbaum, Assistant Secretary

Michael Sernotti, Commissioner

Craig Theibault, Alt. Commissioner

P. G. Waxman, Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

April 5, 2016

- I. Senator Singer opened the meeting at 10:06 A.M. in the Conference Room of the Lakewood Township Municipal Utilities Authority, 390 New Hampshire Avenue, Lakewood, New Jersey.
- II. It was announced that in accordance with Chapter 231, Public Law, adequate notice of this meeting was given and that a notice of this scheduled meeting was filed with the Township Clerk and posted in the Municipal Building in a place accessible to the public and by means of public notices in the Asbury Park Press on February 9, 2016 and The Tri Town News on February 11, 2016.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On a roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancbaum, Mr. Sernotti, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professionals and key personnel were present: Mr. Norman Smith, Esq., Mr. Gerwin Bauer Jr., Auditor, Mr. Justin Flancbaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Paul Morrill, P. E., Mrs. Nechama Lapa, Secretary and Mr. Robert Farina, Instrumentation Department Supervisor.
- V. **Minutes**
A **motion** to approve the minutes of the Water Connection Fee Hearing held on March 8, 2016, was made by Mrs. Fish and seconded by Mr. Waxman. On **roll call**, Mr. Waxman, Mrs. Fish and Senator Singer voted, "**Yes**", Mr. Sernotti and Mr. Coles abstained. **Motion carried.**

A **motion** to approve the minutes of the Sewer Connection Fee Hearing held on March 8, 2016, was made by Mr. Waxman and seconded by Mrs. Fish. On **roll call**, Mr. Waxman, Mrs. Fish and Senator Singer voted, "**Yes**", Mr. Sernotti and Mr. Coles abstained. **Motion carried.**

LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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A motion to approve the minutes of the Regular Meeting held on March 8, 2016, was made by Mr. Waxman and seconded by Mrs. Fish. On **roll call**, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer voted, "**Yes**". Mr. Sernotti abstained. **Motion carried.**

VI. Chief Financial Officer Report

1. Financial Results Review For Period Ending March 31, 2016

The Authorities net position for the period ending March 31, 2016 is \$843,000.00 which is approximately \$994,000.00 ahead of the Year to Date Budget. The Authority's operating revenue through March 31, 2016 is \$4 Million. The revenue is higher than the Budget by approximately \$1 Million. This is being driven by higher residential and industrial service fees as well as non-recurring connection fees. If the non-recurring connection fees of \$427,000.00 would be excluded, the revenue would be ahead of budget by approximately \$600,000.00. The Authority's expenses through March 31, 2016 are a little over \$3 Million which is slightly ahead of budget. Mr. Rappoccio said he compared the Operating Budget to date versus how much was spent to date. The Authority spent approximately forty two percent of the budget and the Authority is five months into the fiscal year. The expenses are being managed well with regard to the budget. Senator Singer asked if the ratios are okay with regard to the repayment of bond indebtedness. Mr. Bauer responded yes. Senator Singer wanted to know if the increased revenue helps it out. Mr. Bauer said the increased revenue gives the Authority the debt service coverage required to have. Senator Singer asked if the new metering is factored into this. Mr. J. Flancbaum said yes, it is. The revenues have increased because of the new metering system. Also with the new metering systems the Authority has been able to identify past problems and fix them. Senator Singer asked if there are any non-readable meters besides the last phase. Mr. J. Flancbaum said there are none. The new meters are a huge factor in the increased revenue. Mr. Rappoccio said that the Authority is conservative with the revenue growth when building the budget. Any higher revenue above the budget can be attributed to the new metering system coming online and the improved billing.

2. Update on Health Plan Review

At last month's meeting a request was made for a comparison of the Authority's Health Plan with the Township's Health Plan. Mr. Rappoccio did the research with the help of Mrs. Lapa. The Township's plan is very similar. They have four plans to choose from. It seems like everyone is on the Aetna 10 Plan which is similar to the State Plan that the employees in the Authority are on. There is slight savings to the family premium, but married and single premiums are slightly higher so it would not be equitable across the board. Senator Singer said he thinks there are more family plans than other for the Authority. Mr. Rappoccio said yes. Senator Singer said he appreciates the research. It is good to know where the Authority is in comparison to the Township. As long as it is not substantial savings, it would cost more to switch plans.

Mr. Bauer said he spoke to Tina at the DCA the day before the meeting regarding the Pension update. She said the information from the actuaries for the pension is still from June 2014. It has not been updated yet. The target date is possibly May to get the information up on the Pension website.

3. Motion to Approve Operating Vouchers

Mr. Rappoccio said that abstentions are as follows: Senator Singer for Harmony Bank and Pine Belt Chevrolet, Commissioner Flancbaum for car allowance for Executive

Director Flancbaum, Mr. Waxman and Mr. Sernotti will be abstaining from Mohel Elliot Bauer and Gass. Senator Singer said the abstentions should be listed in the minutes; it does not have to be read. It needs to be said at the meeting "as listed". Senator Singer asked Mr. Smith if that is correct. Mr. Smith said yes. Also Senator Singer wanted to inform that as of August 1, 2016 he does not have to abstain from Pine Belt because Harmony Bank is being sold and Robert Sickel will no longer be director of the bank. The Operating Expenses are higher from what was sent on Friday. Three items were added. They are all related to temporary easements for the Route 88 sewer line. The additional amount is \$23,780.45. The new Operating Expense total being requested for approval is \$1,245,754.89. A **motion** to approve operating vouchers in the amended amount of \$1,245,754.89 was made by Mr. Waxman, seconded by Mr. Coles. On **roll call**, all members present voted, "**Yes**" with noted abstentions. **Adopted.**

VII. Engineer's Report

1. Leisure Village Drainage Improvements Maintenance Area

- Resolution Awarding Change Order #2

The amount of the Change Order is \$6,160.00. This is for the removal of the soil that was found to be unfit for replacement in the trenches. Mrs. Lapa read **Resolution # 16-53 Authorizing Change Order No. 2 Leisure Village Drainage Improvements Maintenance Area**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.** Senator Singer commended everyone for their work on this project. The work was stressful due to lack of cooperation many times. Senator Singer really appreciates it.

2. Meter Replacement Phase 3

- Resolution Awarding Contract

Two bids were received on March 29, 2016. One was from In Line Services in the amount of \$199,576.00. The second bid was from Guarini Plumbing and Heating in the amount of \$285,241.00. A letter was received from PS&S indicating that the apparent low bidder prepared the bid correctly and Mr. Morrill is recommending award conditioned upon the Authority's attorney review. Senator Singer asked if this is the last phase. Mr. J. Flancbaum said it is. Senator Singer said that In Line has already installed meters for the Authority and they are good. Mrs. Lapa read **Resolution # 16-54 Awarding Contract To In Line Services, Inc. For The Radio Meter Conversion Program Phase 3**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

3. County Line Manor Pump Station Analysis

- Resolution Awarding Professional Services Contract

The Authority is preparing to look at the additional flow into the County Line Manor Pump Station which was approved on a temporary basis. There have been some minor issues with it. When the Authority started analyzing the flows coming into it, it is being found that the houses being built are basically providing three times the amount of flow anticipated. Either the pump station needs to be upgraded or the gravity sewer main needs to be built, which was the original intent. The different options are being looked into. There is a proposal in the packet. The scope of work has been modified a couple of times since then. GTS will do the analysis for \$23,000.00. Senator Singer said that it has to be done. He does not understand why the usage is not being analyzed by the highest usage. Mr. J. Flancbaum said that the usage figures that the pump station was built based upon was figures that were provided in 2004. Additional flows from the

basement units were not taken into account. Now over the last few years it is being taken into account. The flows, instead of being four to five hundred gallons a day are actually closer to one thousand gallons a day. That amount is being used for analysis now. Mr. Morrill said that the numbers that are being seen from these houses were not expected. Mr. Morrill said that this information is being given to those that are doing the master studies. They need to take this into account for any of the single family homes of this type are being built. We have gone through and analyzed the townhouses and they are fine. Senator Singer asked if GTS did the original analysis. Mr. Morrill said no, they did not. It was RC Associates and PDS. They both had the same number. Mrs. Lapa read **Resolution #16-55 Awarding Professional Services Contract Without Public Bidding Pursuant To N.J.S.A. 40A:11-4.1, Et Seq.** Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On a **voice vote** all members present voted "**Aye**". **Adopted.**

4. Abandonment of the Woodlake Pump Station

- Resolution Awarding Change Order #5

This is a construction Change Order to Pillari Brothers for an additional \$4,350.00. This is for additional plantings that have been required by CAFRA. Senator Singer asked how come this was not known before. Mr. Morrill said that this was bid before the Authority had the CAFRA approval. Mr. Coles said that the Township has a large contract coming up with the State to replenish the trees that were taken down from the Turnpike and Parkway. The Township does not have places to put a lot of them. If this does not have to be done right away, it might be able to be supplied through there. Mr. Morrill said it would actually cost more in rental for the temporary easement. Mr. Morrill said that that we can provide trees to the golf course. They would probably be happy to accept them and plant them. But right now the Authority has to meet the contract requirements and get it done. On a different note, on March 23, 2016, the final manhole of the sewer main was constructed. All flow that was going to the pump station is now diverted and going through the gravity main. The pump station is no longer accepting any flows. Mrs. Lapa read **Resolution # 16-56 Authorizing Change Order No. 5 Abandonment of the Woodlake Pump Station.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

5. Decommissioning of the Woodlake Pump Station

- Resolution Awarding Professional Services Contract

This is awarding a contract to Maser Consulting. This is a revised priced from the original amount in the packet. The price was \$26,750.00 and is now \$27,750.00. After reviewing through the proposal and itemized the items that the Authority did not agree with, they revised the proposal by \$1,000.00. There is still one item that is a lump sum proposal but they say that if the contractor takes any longer than they anticipate, the price will go up for construction observation. Mrs. Lapa read **Resolution #16-57 Awarding Professional Services Contract Without Public Bidding Pursuant To N.J.S.A. 40A:11-4.1, Et Seq.** Motion was made by Mr. Sernotti, seconded by Mr. Coles. On a **voice vote** all members present voted "**Aye**". **Adopted.** Senator Singer asked if the project is within the budget. Mr. Morrill said that it is. There will be a few Change Orders due to some unforeseen construction but we are still well within what is considered a reasonable budget for this project. Senator Singer asked if there will be more hookups into this sewer main. Mr. Morrill said at this time the only one coming online is Pine Belt Chrysler. But he is certain that there will be more in the near future. Mr. J. Flancbaum said that over time there will be more hook ups. Senator Singer asked

if the Authority had to pay easements from everyone. Mr. J. Flancbaum said yes. Senator Singer said to remember that the Authority could have waived the hookup fees for the easement. But we cannot moving forward. Mr. J. Flancbaum said he will not waive them. Mr. Morrill said that this opens up the entire Route 88 corridor. The way the edge was brought up, it meets with the master plan to bring sewer up Route 88. Mr. J. Flancbaum said that if any of the septic system start to fail, they will have to hook up. Senator Singer said that these are commercial, the Authority could mandate them to hook up.

VIII. Attorney's Report

Mr. Smith said that he does not have any supplements since last month.

IX. Executive Director's Report

1. Resolution Authorizing the Disposal of Surplus Property

This item will be not be discussed. Senator Singer asked Mr. Smith if the Authority can trade in a vehicle when a new vehicle is purchased. Mr. Smith said yes. Senator Singer said that the Authority is purchasing a new truck so the Authority will trade in the old one at that time.

2. Resolution Awarding Contract to Caltech Systems, Inc.

The Authority continues to perform more and more SCADA tasks in house in order limit our dependence on outside vendors. As such we do not see a need to renew Caltech's contract for an extended period time, however, we would like to renew the contract on monthly basis. This was discussed with him. A proposal was received for \$8,000 per month on a month to month basis. This is the same price the Authority has paid for the extended contract. Senator Singer said that this is the goal, to have the Authority independent of outside vendors for the SCADA System. Mrs. Lapa read **Resolution # 16-58 Awarding Contract Without Public Bidding For The Support And Maintenance Of Proprietary Computer Hardware And Software**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On **voice vote**, all members present voted, **"Aye"**. **Adopted**. Senator Singer asked if it can be estimated that Caltech will be needed for another six months. Mr. Farina said it is a good estimate.

3. Resolution Awarding Professional Services Contract to Hatch Mott MacDonald

A meeting was held with Hatch Mott MacDonald last month and they were asked to put together a proposal to perform a comprehensive water quality sample plan. There are several reasons why it is felt that this is a good time to get this done. The first reason is because in recent years the presence of ammonia was discovered in both the Cohansey and Englishtown aquifers. When ammonia combines with free chlorine, which is what Authority uses as a disinfectant, it forms chloramines which are less effective. The second reason is that the replacement of the greensand filter at the Shorrock Street Plant with the greensand plus filter was just completed. This eliminates the need for potassium permanganate at that plant relying solely on chlorine. In order to properly understand the new chemistry of the treatment process we would like to obtain comprehensive operational data from the plant and prepare a chemical profile of the plant. Lastly, because of the current population growth and projected population growth, there is the increased likelihood of purchasing more water from neighboring systems. The Authority wants to know the short and long term effects on our system when the Authority starts purchasing more water from neighboring system. Doing this study now will enable the Authority to stay a step ahead of the process. Hatch Mott MacDonald

has proposed a fee of \$8,500.00 for this study which we feel is reasonable. Mrs. Lapa read **Resolution #16-59 Awarding Professional Services Contract Without Public Bidding Pursuant To N.J.S.A. 40A:11-4.1, Et Seq.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote** all members present voted **“Aye”**. **Adopted.**

4. Solar Project

We have a resolution officially cancelling the contract with Sun Edison. In that same resolution the Authority will award the contract to the second lowest proposer, Altech. Altech will be notified that they have five days to confirm that they still can do the project according to the proposal submitted. If they cannot do it for the same price then the Authority will go to the third lowest proposer. The price difference between the second and third lowest is not that significant but we prefer going with the second lowest proposer. Mr. Smith reported that after discussing this with Mr. J. Flancbaum, he sent out a letter terminating the contract with legal reason set forth therein around a week ago. Mr. Waxman asked if a response was received. Mr. Smith said there was no response. Senator Singer said that they are in bankruptcy. Mr. Smith said the letter is attached by reference to this resolution because it states the reasons for terminating the contract. Mrs. Lapa read **Resolution #16-60 Terminating The Contract With Sun Edison Government Solutions, LLC And Awarding The Contract to Altech Solar Power Purchase Agreement.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **roll call** all members present voted **“Yes”**. **Adopted.**

5. Hydrant Flushing

The annual flushing program has started two weeks and should be finished by the end of May. The schedule was made to work around the upcoming holiday of Passover. On Purim there was flushing, but it was stopped.

X. Instrumentation/IT Department Report

1. Shorrock Street Tower Construction

The Shorrock Street antenna tower construction is scheduled to begin on April 11, 2016. The assembly process will be quick since it comes in pre-assembled pieces and is stacked and bolted on site. Upon completion of the tower and the re-installment of the present radio/antennas from the wooden pole, the contractor will then remove the seventy five foot pole from Shorrock Street and re-install it at Well No. 3 in anticipation of the installation of a radio/antenna out there. Mr. Farina hopes to do the same with the forty foot pole at Shorrock Street and to have it re-installed at the Well No. 2 radio/antenna project site. But that will be determined once we are fully decided on a final location of the equipment over at Well No. 2.

2. Shorrock Street Well House Switchgear

Mr. Farina has begun the task of replacing the aging switchgear beginning at Well No. 18 over in the Shorrock Street well field. This switchgear has been giving us sporadic failures over the past year or so. The new switch gear is what is referred to in the industry as a soft starter. It will simply turn the motor on by stepping the voltage up in increments as opposed to applying full instantaneous power. This will result in longer motor life and eliminate electrical surge costs. Mr. Farina has used these devices in several other locations in our organization and they have proven to work very well so far.

3. Remote Well’s SCADA Progress

The SCADA people have begun work on getting the equipment wired and tested at Wells No. 1, No. 3 and No. 19. The focus is on getting Well No. 19 up and running as soon as we can. Once the contractor turns it back over to us we will be able bring extra water into our system to support the current flushing activity.

4. Shorrock Street SCADA Control Room

The plans have been received back from the architect for the new SCADA control room at the Shorrock Street Water Treatment Plan. Once the plans are approved we will move on to solicit bids for its construction.

5. Radio/Antenna Update

A meeting was held with the radio/antenna contractor, LTW along with the factory representative from Ceragon Radio Corporation in order to put forth a plan on how our internal network will evolve and progress forward with regards to the installation of radio/antennas at our last two sites, Well No. 2 and Well No. 3. The meeting was also regarding the remediation of the radio/antennas at our Well No.1 and Leisure Village East locations. We now agree that once LTW has performed a full network evaluation and find the source of a problem causing some minor intermittent disruption issues in the system, we will then have a solid plan moving forward. This will then insure that the system will handle the future card key access and video demands.

IT Status Report

6. TimeOut – HR Software Update

The first part of the roll-out has been completed as management has been trained how to use and approve leave approvals through the TimeOut software. Part two of the roll-out is scheduled in the next two weeks in order to train employees on how to request leave approvals. HR will continue with the use of paper request forms alongside of the TimeOut software to make sure everything is functioning properly and guarantee a smooth transition over to paperless.

7. Vehicle GPS Update

Network fleet GPS contract negotiations have been completed. We are verifying that all the paperwork is in order and the installation in the vehicles should start within the next two weeks.

8. GIS Update

This is ongoing as the Authority took them up on their offer to temporally host our database online, while preparing to purchase the hardware and software for the Server. Our IT coordinator had a conference call meeting with the subcontractor, Matrix World. As a result of that conversation, it looks like there is still a lot of preliminary work that needs to be done on their part prior to the Authority being able to deploy this system to the Operations staff so that they can begin the process of familiarity with the use of the system which uses tablets and electronic devices as opposed to the paper maps. We are doing our best to monitor this project very closely.

9. Windows 10 OS Rollout Update

Plans have been developed to get started on this in the next couple of weeks. We will see to it that this task is completed long before the deadline of the free update offer occurs in July.

XI. Commissioners' Report

Mr. J. Flancbaum introduced Ms. Peggy Gallos, Executive Director of the Association of Environmental Authorities of New Jersey. This is a statewide Municipal Utilities Authority Association with approximately 300 members. Ms. Gallos goes around to different members to introduce herself and reinforce the relationship between the association and the members. Our Authority is the first one that Ms. Gallos is joining on this mission. Ms. Gallos thanked Mr. J. Flancbaum for inviting her and the Authority for being a member of AEA. It is important and helpful for all Authorities to have this association. Mr. Smith came as a speaker. Ms. Gallos thanked the commissioners for being generous with Mr. J. Flancbaum's time. Mr. J. Flancbaum is the treasurer and is a valuable help. Mr. Ponsi is on the Water Committee. It is wonderful to have their input. Ms. Gallos wanted to tell a bit of what the AEA is doing and a few ways that Lakewood has some profile in the AEA. There is a member video on the website and one of the featured speakers is Mr. J. Flancbaum. Ms. Gallos had copies of the video to give to the commissioners. It is posted on youtube also. This video is one way of promoting the association and help people understand why it is valuable to members. The other thing she wanted to point out is that Lakewood is a great example and has used Lakewood in a lot of ways. Last Friday Ms. Gallos was at a New Jersey Spotlight event about water as a speaker panelist. One of the subjects she spoke about was the investment that public agencies are making into infrastructure and Lakewood was one of the public entities. The AEA had an article in the February issue of the NJ Municipalities Magazine and again Lakewood was one of the featured discussions. Ms. Gallos said that one thing that we can talk about is the Authority's relationship with the municipal government and how well you get along and work together. The AEA is articulating the value of public ownership and operation of water, wastewater and solid waste utilities. There are many paths up the mountain, but this is a good and helpful model. The AEA is spending time on talking about in many venues. In addition to providing support for members there is continuing education, which Mr. Smith participated in last year. A lot of time is being spent in talking about succession planning, how to train future managers of these systems. Also the AEA is doing public education in events like New Jersey Spotlight Event to help people understand issues around water more and again the value of the public entities involved in the State. AEA has a lot of issues in common with the Investor owned Utilities. To the extent that we do, we work with them as well. As Senator Singer knows, the AEA is involved in the Legislative arena. The AEA is mostly watching what is happening to see if there are bills that folks need to be made aware of, make a comment on, etc. One of the bills recently was going to put a cap on the bills for regional Sewage Authority's. There actually was additional discussion with Senator Stack on that through North Hudson Sewerage Authority. That bill seems like it will be held back. Senator Stack's main concern was affordability for some of his constituents in Union City. The AEA is constantly watching what is going on in the Legislature as well as in the DEP. The AEA frequently makes comments on regulatory matters and water quality regulations. There will be a meeting that she will be attending regarding groundwater quality regulations soon. The AEA is listening and trying to pass on information and through committees like our water committee and legislative committee the AEA provides input to the department. This makes a difference to what comes out. The AEA is often one of the small people of the room but they really listen to us and we are invited to make comment. Ms. Gallos thanked the Authority for continued membership in the AEA and always like to hear from the Authority and its concerns. Senator Singer thanked Ms. Gallos for coming down and for her kind comments. As you can tell, the Lakewood Township MUA is probably the

fastest growing MUA in the State and is investing a lot of money in the system. We are buying water and building wells and doing everything state of the art. It seems like many other MUA's are behind times. We are doing the last phase of remote capture for metering. We no longer have meter readers. That is a thing of the past. We can get a lot of information from this new meter. We can tell how much water was used each hour of the day. It has helped the collection rates in the system. Ms. Gallos said that sounds like a great article for the newsletter. That is another aspect of the AEA, the interchange between organizations. This is the kind of story that is good for other entities to know about. Senator Singer said that we are also the only system to have "kosher meters". Ms. Gallos said that is also a great story. Senator Singer said again we appreciate her coming down. Ms. Gallos is always welcome and thanked her for a great job done.

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

XIV. ADJOURNMENT

A motion was made by Mr. Waxman, seconded by Mr. Coles to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:48 A.M.

Respectfully submitted,

Nechama Lapa,
Secretary, LTMUA