



Board of Commissioners

Senator Robert Singer, Chairman

Mayor Raymond Coles, Vice Chairman

Craig Theibault, Treasurer

Anne Fish, Assistant Secretary

P. G. Waxman, Commissioner

Samuel Flancbaum, Alt. Commissioner

Meir Lichtenstein, Alt. Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

October 10, 2018

- I. Senator Singer opened the meeting at 11:01 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, 2018 and The Tri Town News on February 14, 2018.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On roll call the following Commissioners were present: Mr. Lichtenstein, Mr. S. Flancbaum, Mr. Theibault, Mr. Waxman and Senator Singer. Mr. S. Flancbaum was seated as an alternate. The following professionals and key personnel were present: Mr. Adam Pfeffer, Esq., Mr. Gerwin Bauer, Auditor, Mr. Justin Flancbaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Colin Farrell, CEng MIEI, Director of Engineering, Mr. Adam Ponsi, P. E., Mr. Robert Farina, Instrumentation Department Supervisor and Mrs. Nechama Lapa, Secretary.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting held on September 5, 2018, was made by Mr. Waxman and seconded by Mr. S. Flancbaum. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**
- VI. **Chief Financial Officer Report**
 1. **Financial Results Review For Period Ending September 30, 2018**
The Authorities net position for the period ending September 30, 2018 is approximately \$2.6 Million which is approximately \$685,000.00 ahead of the Budget. The Authority's operating revenue is approximately \$9.3 Million. This is \$679,000.00 ahead of the budget. It continues to be driven by the water and service charges due the efficiency of the new billing system, growth in the service area and by the non-recurring connection fees.

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Mrs. Fish arrived at 11:03 A.M.

The Authority's expenses through September 30, 2018 are approximately \$6.7 Million. The expenses are right in line with the budget. It is actually \$5,000.00 behind the budget. Expenses are being managed extremely well. October expenses should come in as expected.

2. Motion to Approve Operating Vouchers

Mr. Rappoccio provided the commissioners with a list of abstentions. The amount for the Operating Expense Vouchers is \$1,045,203.53. A **motion** to approve operating vouchers in the amount of \$1,045,203.53 was made by Mr. Waxman, seconded by Mr. S. Flanbaum. On **roll call**, all members present voted, "Yes" with **noted abstentions**. **Motion Carried.**

3. Resolution Adopting New Connection Fee Laws

The State passed new legislation for governmental utilities, clarifying how Connection Fees are calculated. In some cases there will be additional Connection Fees charged or where certain credits can be received. The Authority would like to adopt the new calculations presented by the State. Senator Singer said if these calculations are used the fees are undisputable. Mrs. Lapa read **Resolution No. 18-78 Adopting New Connection Fees Laws**. Mr. Waxman asked how much will the fees be increased as a result of this. Mr. J. Flanbaum said the rates will remain the same. This law clarifies how it is done, when credits are issued and not issued. It will not adversely affect anyone. Motion was made by Mr. Waxman seconded by Mrs. Fish. On **roll call** all members present voted "**Yes**". **Adopted.**

4. Resolution Approving Submission of the Budget to New Jersey State

Mr. Flanbaum, Mr. Bauer and I met with the Budget Committee last Friday and went through it in detail. The budget does include a rate increase for 2019.

On the conference room screen was a chart showing details of the increase.

The water rate increase will be 9.5%. Senator Singer said that this sounds like a large increase, but it really is not. The DEP is requiring the Authority to purchase outside water, 150,000 gallons a day starting January 1, 2019. That is the difference in price in what it costs the Authority to produce its own water as opposed to buying. On the sewer side, the increase is a direct pass through from what OCUA has increased to the Authority. Senator Singer asked Mr. Rappoccio to explain what that means on a quarterly bill. Mr. Rappoccio said for a 5/8th inch meter, the lowest payer, is \$4.25 per quarter; this will make the amount billed go from \$44.75 to \$49.00 per quarter. Annually it translates to \$17.00. For the 1 inch meter it would be a \$10.79 increase, from \$113.55 to \$124.34. Annually the bill will go up \$43.00. Senator Singer said the DEP is requiring the Authority to do this, therefore, the Authority does not have an option. Mr. Waxman asked if this will be explained somewhere. Mr. J. Flanbaum said that they wanted the Commissioners to be aware of the increase that is in the Budget which is being sent to the State. There will be a formal rate hearing. Mr. Rappoccio said that as the Senator explained, the 2% increase on the sewer side is a direct pass through from the OCUA. 1½% of the water increase is related to the Administration Building addition. The funding will be obtained from NJEIT loans. As Mr. J. Flanbaum said before, there will be a Rate Increase Hearing in January to actually adopt these rates. There will be additional rate increases that will come along related to the gravity sewer lines that are being anticipated in the upcoming years. Senator Singer said the Authority is still way below others. Mr. Rappoccio said that New Jersey American Water Company charges

per quarter for a 5/8th inch meter charges \$107.00. The Authority is going up to \$49.00. Senator Singer said it is a shame that the Authority needs to purchase the water because the Authority does not need the water. The Authority will pump less from the wells. If the Authority did not buy the water, the State would not give the Town Center Designation. Mr. J. Flancbaum said the agreement with New Jersey American Water Company was fully executed and has been sent to the DEP for their review. Mrs. Lapa read **Resolution No. 18-79 2019 Authority Budget Lakewood Township Municipal Utilities Authority**. Motion was made by Mr. S. Flancbaum seconded by Mrs. Fish. On **roll call** all members present voted **“Yes”**. **Adopted.**

VII. Engineer’s Report

Mr. Ponsi’s Report

1. Update of Rules and Regulations

- Motion Approving Addendum #29

The Lakewood Township Building Department asked to change the requirements for the meter vaults for backflow preventers to be a minimum distance from the building and also requirements for observation manholes. A **motion** was made by Mr. Theibault, seconded by Mr. S. Flancbaum to update the Rules and Regulations. On a **roll call**, all members present voted, **“Yes”**. **Motion Carried.**

2. Bids for Chemicals and Cold Water Meters for Calendar Years 2019-2020

- Motion Authorizing Issuance of Notice to Bidders

A motion is needed to authorize the issuance of the notice to bidders for the purchase of chemicals and cold water meters for the calendar years 2019 and 2020. A **motion** to authorize the issuance of the notice to bidders was made by Mr. Theibault, seconded by Mr. Waxman. On a **voice vote**, all members present voted, **“Aye”**. **Motion Carried.**

3. Lanes Mill Road Office Building (Mordechai Fligman)

- Resolution Releasing Performance Guarantees

On September 20, 2018 the Authority received a request from the applicant, Mordechai Fligman, to release the performance guarantees for the project. On October 2, 2018 the Authority issued a letter detailing the requirements for the performance guarantees to be released. At this time the Authority may release the performance guarantees conditioned on the Authority’s letter of October 2, 2018. Mrs. Lapa read **Resolution No. 18-80 Releasing Performance Guarantees For Lanes Mill Road Office Building**. Motion was made by Mr. Theibault seconded by Mrs. Fish. On **roll call** all members present voted **“Yes”**. **Adopted.**

Mr. Ponsi thanked the new Engineering assistant, Renee, for her help in preparing the report. She is doing a fantastic job.

Mr. Farrell’s Report

4. Competitive Contracting for Water Testing Services for Calendar Year 2019

- Motion Authorizing Issuance of Notice to Bidders

Request for proposal documents are being updated. The request for proposals will be posted on the Authority website in accordance with the requirements of the Pay to Play regulations. At this time the Authority may authorize the issuance of notice to request proposals for water testing services for the calendar year 2019. Senator Singer wanted to know who the Authority used this year. Mr. J. Flancbaum said the Authority used Precision Analytical Services in Toms River for the past few years. Senator Singer wanted to know which company did the Authority used before. Mr. J. Flancbaum said the

Authority used Henderson Labs. They are more expensive. Sometimes we approve both companies. A **motion** to authorize the issuance of the notice to bidders was made by Mr. Waxman, seconded by Mr. Theibault. On a **voice vote**, all members present voted, "**Aye**". **Motion Carried.**

5. RFQ's for Engineering Services Calendar Year 2019

- Motion Authorizing Issuance of Request for Qualifications

Senator Singer said to make sure all the present engineers know about it. Updated documents will be sent to prospective engineering firms that were approved last year. Documents will be posted on the Authority website and in newspapers in accordance with the requirements of the Pay to Play regulations so the documents received will be considered as fair and open. At this time the Authority may authorize the issuance of the Request for Qualifications for Professional Engineering Services for the calendar year 2019. A **motion** to authorize the issuance of the request for qualifications was made by Mr. Waxman, seconded by Mr. Theibault. On a **voice vote**, all members present voted, "**Aye**". **Motion Carried.**

6. Well 15 GAC Media Replacement

- Resolution Awarding Professional Services Contract

In 2009 two Granular Activated Carbon (GAC) filters were installed at the Shorrock Street Water Treatment Plant as part of the Well No. 15 Mercury Removal Facility project. The Authority recently experienced a breakthrough in the lead filter of the two filters that work in series. The service life of the filter media is two to four years. Due to the filter media being beyond its service life the Authority requested Mott MacDonald provide a cost estimate for media replacement of the lead filter as well as a proposal for the engineering services necessary for the media replacement. On September 13, 2018 the Authority received a proposal from Mott MacDonald for design, bid and inspection services for the media replacement of one of the GAC filters in the amount of \$22,500.00. At this time the Authority may award a professional services contract to Mott MacDonald for design, bid and inspection services for the media replacement of one of the GAC filters in the amount of \$22,500.00. Senator Singer asked why did we not know that the filter media was passed its life usage. Mr. J. Flancbaum said that they say the life expectancy is two to four years but realistically they last longer. The condition of the existing filter is not that bad but we want to change it out before it gets bad. Senator Singer questioned how long we have the filter. Mr. J. Flancbaum said it was installed in 2009. Senator Singer said that is a lot longer. He suggested that maybe based on this, the filters should be changed at eight years and not wait till there is a problem. Mr. Farina said that actually there is not a problem, it is just we got the most out of it. The mercury quantity was so low that we were able to extend the usage to eight and one half years. It would not have been any cheaper to do it earlier. Senator Singer asked to estimate how much the actual replacement will cost. Mr. J. Flancbaum said the estimate is \$122,000.00. Mrs. Lapa read **Resolution No. 18-81 Awarding Professional Services Contract**. Motion was made by Mr. Theibault seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Mr. Farrell introduced the new Engineering Administrative Assistant, Renee Racanelli, to the Board. She is doing a great job.

VIII. Attorney's Report

Mr. Pfeffer said he received the signed agreement from Verizon for the cell tower. Mr. J. Flancbaum executed it right before the meeting. Once they receive it back, Verizon will send the check. Then the process to move it along will start.

At last month's meeting there was a closed session to discuss litigation for 1260 East County Line Road. A complaint was filed against them. Since then they have resolved it and paid in full. The Authority received all the money and did not have any losses. The complaint is being filed to be dismissed.

Senator Singer asked if there was any update on the other suit. Mr. Pfeffer responded there is no real update. The responses were received and he is reviewing the answers.

IX. Executive Director's Report

1. Resolution Appointing Special Labor Counsel

The Authority was served a Civil Action Suit from a former employee alleging some violations of the Fair Labor Standards Act. The Authority would like to engage Citta, Holzapfel and Zabarsky as special counsel to represent the Authority in this suit. Senator Singer said that this is not a major suit. It is more of a nuisance. Mr. Waxman asked if it costs substantial money to file a federal suit. Senator Singer explained that federal suits are filed for one reason if you lose you pay both ways. So the attorney gets paid one hundred percent by the Authority. It is not a big suit. The Authority cannot settle something that is not correct and this is not a correct suit. If it was something that we felt the Authority was wrong in, then we would have settled. It is a wrongful suit. Mrs. Lapa read **Resolution No. 18-82 Appointing Special Labor Counsel**. Motion was made by Mr. Waxman seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

2. Tax Sale update

The Tax Sale is taking place today. The original outstanding balance for 2017 was \$596,000.00. \$531,750.00 was collected before the Tax Sale. \$64,250.00 was sent to Tax Sale today. The Authority will be paid in full after today for the entire amount. Mr. J. Flancbaum thanked Ms. Gaynor for her hard work during the Tax Sale season and the entire staff. It goes on for several months and they all worked hard to get the job done.

X. Technical Operations Report

Field Operations Report:

1. Aerator Repair

There was a picture on the conference room screen of the Shorrock Street Air Vortex Chamber. It takes the VOC's out of the water. Our mechanical personnel were able to make a major repair on the Shorrock Street aeration blower unit which otherwise would have resulted in the need to replace the entire unit. The chamber was deemed unusable and would have needed full replacement. Being able to repair it in-house saved the Authority approximately \$10,000.00 to \$15,000.000 for replacing the unit. The in house repair resulted in a cost to the Authority of approximately \$1,500.00 including materials and man hours.

2. NJDEP Forthcoming Compliances

The Authority is currently engaged with addressing the future mandates regarding the Authority's compliance with the NJDEP's Water Quality Accountability Act and the Authority's Asset Management plan completion. The effort includes personnel involvement from the Operations, IT Department and GIS Department.

Technical Operations:

All SCADA Systems are running well. We are within one to two weeks with completing the antenna work.

3. Replacement SCADA Personnel Search

The search for a replacement SCADA integrator is ongoing. This will be a larger challenge than having to search for other past positions mainly due to its specific requirements. In the meantime, management has secured contractual emergency response and service for our system from our current contractor, Pumping Services, to insure adequate system support while our personnel search continues. They will be able to respond within two hours to any emergencies. There are two principal candidates that we are looking at. We are in the process of scheduling interviews with the Executive Director and hopefully get one candidate out of that.

IT Department:

4. Aging Sensus Servers Status

A meeting will be held with the Sensus Sales Product Manager to discuss the end of life servers and prepare for the cloud infrastructure.

5. Reverse 911 System Status

The Code Red or reverse 911 emergency notification service is being set up for operation and will take up to 30 days to complete and implement.

6. Bar Coding System Status

We are specifying and preparing to purchase peripheral equipment needed to implement the Authority's bar coding system. This will be an integral part of the forthcoming asset management plan that will be implemented. This system will serve as a locator for our spare parts on hand, identifying and locating documents in storage and eventually identifying and manifesting every asset belonging to the Authority. It is minimal cost in material. The Authority will need to purchase two mainframe computers, which are approximately \$1,000.00 each and a few hundred dollars in bar coding equipment and software. This will be very helpful and will be a time saver.

GIS Department:

7. Enterprise Asset Management Status

We started researching the Enterprise Asset management Solutions that will integrate with our existing GIS investment. This will enable the Authority to meet the requirements of the mandated Water Quality Accountability Act.

8. Online GIS Status

The Online GIS capabilities were deployed and introduced to the Authority's Supervisors, Managers and Directors.

9. Update Report on Lakewood Township Tax Map Project

The Authority received tracked updates to the Lakewood Township Tax Map Project. Getting this data will benefit the Authority.

XI. Commissioners' Report

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

Senator Singer wanted to thank Mr. Farrell and Mr. Ponsi for the reconstruction of the trailers. They are getting rid of things that are not needed to be kept. Eighty five boxes will be moved out to the Vault Group in Monmouth for storage. If it is needed, it can be gotten back in a day. The trailers are not the safest place. In storage it will be kept in a

fire proof, humid controlled place. Storage off site is safer. The Authority will have storage facilities with the expansion. It makes good sense that information that is over a couple of years old to be kept off site.

XIV. ADJOURNMENT

A motion was made by Mr. Waxman, seconded by Mrs. Fish to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 11:33 A.M.

Respectfully submitted,

Nechama Lapa,
Secretary, LTMUA