



Board of Commissioners
Senator Robert Singer, Chairman
Mayor Raymond Coles, Vice Chairman
Craig Theibault, Treasurer
Anne Fish, Assistant Secretary
Yocheved Miller, Commissioner
Samuel Flancabaum, Alt. Commissioner
Meir Lichtenstein, Alt. Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

July 13, 2021

- I. Senator Singer opened the meeting at 10:00 A.M. via teleconference.
- 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 18, 2021 and The Tri Town News on February 24, 2021 and again in the Asbury Park Press on June 12, 2021 and in the Tri Town News on June 13, 2021.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On roll call the following Commissioners were present: Mrs. Fish, Mrs. Miller, Mayor Coles, Mr. Theibault, Mr. S. Flancabaum, and Senator Singer. The following professionals and key personnel were present: Mr. Adam Pfeffer, Esq., Mr. Gerwin Bauer, Auditor, Mr. Justin Flancabaum, Executive Director, Mr. Donald Sondak, CFO, Mr. Colin Farrell, CEng MIEI, Director of Engineering, Mr. Adam Ponsi, P. E. and Mr. Robert Farina, Director of Operations.
- V. **Minutes**
A **motion** to approve the minutes of the Regular Meeting held on June 8, 2021, was made by Mrs. Fish and seconded by Mr. S. Flancabaum. On **roll call**, all members present voted **"Yes"**. **Motion Carried.**
- VI. **Chief Financial Officer Report**
 1. **Update**

Our year-to-date May results look good, we are tracking pretty well to budget. There's no extraordinary variances or anything of great concern. We are very slightly below on the revenue side, but we're just coming into our big billing month and we are behind about two weeks worth of revenue-It's a non event, we will be fine. The expenses are below budget by a couple of hundred thousand so that's operating well and year -to-date our net results are above budget by 7% so things look pretty good.

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Second item that I do have is keeping with the authorities standard practice of maintaining our authorized contacts current with our various counterparts, we have a resolution for consideration by the board to certify Justin Flancbaum and myself, Donald Sondak as qualified and acting officers on behalf of the Authority with Bank of New York Mellon for an AR or a bond trustee so that would authorize us to give them instruction and direction. Mr. J. Flancbaum reads **Resolution 21-66 Certifying Justin Flancbaum and Donald Sondak as qualified and acting officers of the Authority for Bank of New York Mellon**. Mrs. Fish makes the motion, seconded by Ray Coles. On roll call, all members present voted “Yes”. **Adopted.**

Quick note, as the Senator mentioned at the last meeting, we have a new hire, Melissa Hammond who joined us as our payroll clerk and HR Administrator. She is doing extremely well, self starter, diving right into the maze of NJ Pensions & Benefits website. She’s not waiting for direction, she’s starting to pull this thing apart, so she’s very, very good. She’s coming along very quickly so a nice hire there.

Lastly, in addition to the Operating List, we have received an invoice payable to the Treasurer of the State of NJ for the application fee for our Water Master Permit. It’s \$2,500 and that invoice came in a little late so it’s not on the list that was published. But, having said that I would recommend that the Board approve the list with the addition of the \$2,500 which brings the total to \$662,323.12.

2. Motion to Approve Operating Vouchers

The amount for the Operating Expense Vouchers is \$662,323.12. A **motion** to approve operating vouchers in the amount of \$662,323.12 was made by Mr. Coles, seconded by Mrs. Fish. On roll call, all members present voted, "Yes" with **noted abstentions**. **Motion Carried.**

For the record, Senator Singer wanted to confirm that Mr. Pfeffer, Authority Attorney and Mr. Bauer, Authority Auditor was on the phone conference. Mr. Pfeffer and Mr. Bauer confirmed that they were present.

Again, just for the record, Senator Singer had two things to mention. Number 1, is I think you should know that the higher that was brought in for HR was a good hire. This person is skilled in that area, was working for a third party company so it’s not unfamiliar territory for her. And secondly, you know as a bonus factor even though Nechama did a good job, this woman is now in the healthcare system so she understands it better because she did herself and that plays an important role because if you don’t use it yourself, sometimes you don’t understand certain things. When you use it yourself, you would really want to know more about it. So I commend you on that higher and I want to let you know that Don is putting in place a lot of stopgap measures that we didn’t have, working with Skip on that. We found an instance, certain things weren’t up to date that now are. So I want to commend Don on doing that. And I think the other thing you should know too, Don is learning everyone’s job, that’s an important perspective of the CFO. Even though he doesn’t do them to know exactly what people do and understand how that fits into the cog of what’s going on is an important role for us and the future as we’re growing, and we are growing. You should know that just the fact of how we’re dealing with things here and we are getting busy and it’s not slowing down.

So thank you Don and looking forward to doing a lot of positive things in that direction. With that being said, I now turn it to Skip, Skip adds Don's doing a great job and it's been a real pleasure working with him and he's making drastic improvements through the accounting system.

Right now the audit is complete and the only thing we are waiting for is the actuarial report.

VII. Engineer's Report

1. 1975 Swarthmore Avenue Building Addition (1975 Swarthmore Avenue, LLC-David Katz)

- Resolution Approving Terms of Developers Agreement
On March 22nd Grant Engineering issued commercial industrial review #5 so at the time the Authority may accept the terms of the developers agreement for 1975 Swarthmore Avenue. Mr. J. Flancbaum read **Resolution No. 21-67 Approving Terms of Developers Agreement for the 1975 Swarthmore Avenue Building Addition**. Motion was made by Mrs. Fish, seconded by Mr. Coles. On **roll call**, all members present voted **"Yes"**. **Adopted**.

2. Ridge Avenue Water Main Loop

- Resolution Awarding Professional Services Contract
On July 8th we received a proposal for engineering services from Morgan Engineering for the conceptual design of a water main loop from the Authorities water distribution on Ridge Avenue to New Hampshire Avenue through Ocean County Property for a cost not to exceed \$11,000 . Mr. J. Flancbaum read **Resolution No. 21-68 Resolution Awarding Professional Services Contract**. Motion was made by Mayor Coles seconded by Mrs. Fish. On **roll call**, all members present voted **"Yes"**. **Adopted**.

VIII. Attorney's Report

Mr. Pfeffer said it is business as usual.

IX. Executive Director's Report

1. Resolution appointing Board Secretary

Mr. Flancbaum states that he has been interim secretary since the resignation of Nechama Lapa. Senator Singer adds, Robyn Gray is the office manager downstairs and she has agreed to fill that role permanently. She has an understanding which really makes it a little easier, makes better sense and she prepares the resolutions anyway so she's quite familiar with it. I think Don would agree it makes more sense than having HR involved in it. This is a good move and I commend them. Board Secretary comes with a stipend of \$200 a month to do the additional work. Mr. J. Flancbaum read **Resolution No. 21-69 Appointing Board Secretary**. Motion was made by Mrs. Fish, seconded by Mayor Coles. On **roll call**, all members present voted **"Yes"**. **Adopted**.

2. Resolution authorizing the execution of First Amendment to the Agreement Establishing Water and Wastewater Service Boundaries with NJ American Water Company

Our service boundary agreement was signed in 2016 and it makes provisions for service area amendments based upon considerations of economic efficiency. Several areas have been identified by our entities as candidates for such an amendment and our entities agree that will be more economically efficient for the other party to provide water and wastewater services to those areas. The map depicting the areas in question were included in your packet and the agreement authorized by this resolution will memorialize the amendment. And just for the information for the Board, Senator Singer explains some of the areas were economically too costly for people to bring in the sewer and water and using us through NJAWC and vice versa. That's just something that makes good economic sense, we don't want to tax our users more than they have to pay. And secondly, it's our job to provide service within our service area. NJ American had no problem so it's an equal swap for us property wise and something we've worked on with them so it's really a dollars and cents issue more than anything else. Mr. J. Flancbaum read **Resolution No. 21-70 Authorizing the Execution of First Amendment to the Agreement Establishing Water & Wastewater Service Boundaries with NJ American Water Co.** Motion was made by Mrs. Fish , seconded by Mayor Coles. On roll call, all members present voted "Yes". **Adopted.**

3. Employee Compensation

Management has compared salaries in the operations department against current market conditions both within the industry and outside of our industry. And we've determined that certain salary adjustments are necessary to keep a competitive edge both in hiring new employees and also retaining current ones. These adjustments have been reviewed and approved by the personnel committee and we're going to be implementing these in these adjustments either in the next pay cycle or as soon as possible thereafter. Senator Singer adds we are seeing places like Wawa offer \$16.50 per hour with up to \$500 signing bonuses. We are also seeing places like Target in Wall. With our entry level positions close to that to start or less and our work is more intense. As to the entire system, we've been very fortunate we've not had turnover. We want to remain competitive. We want to attract more people to come in and it's been a very difficult time as our growth goes in and we are seeing some retirements. I commend Justin, Harry and his staff, Bob too. They came back with recommendations to make sure we are competitive and that our people are fairly compensated. Our personnel committee looked at it too and come back with recommendations. I thank our employees and I'm glad we are moving in the right direction.

X. Technical Operations Report

Operations Dept:

1. The new laborer started on Tuesday July 6th and so far has been satisfactory.

2. The Shorrock St. WTP laboratory sink/faucets and cabinets are currently being replaced due to wear and tear. The cabinets are being custom built in house and installed at a savings of approximately \$12,000.

Technical Operations:

3. All SCADA and communications systems are working fine
Our SCADA contractor has performed some routine maintenances on the system

IT Department:

4. Leon is in the process of implementing our bar-coding equipment for our stock and asset inventory's.
5. Preparing for training with the administration of the new XG firewall
6. Working with our vendors Core & Main and Edmunds with regards to the meter reading software upgrade and VPN access
7. Update remote access policy to meet all of the Tier 3 requirements
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GIS/Cyber-Security Department:

8. Pertaining to GIS, Chris is currently extracting escrow and performance financial information from our Edmunds Billing System for the CFO.
9. Provided maps to Executive Director for a service area transfer with NJ American Water
10. Investigated how our Survey 123 software can provide capture data for covid checks for field employees and bulk water sales for billing
11. Chris is currently producing a submittal for the Tier 3 Cyber Security certification with NJ MEL/JIF
12. Received a substantial number of bulletins regarding domestic terrorists efforts to encourage and instruct others on how to attack water treatment facilities and other critical infrastructure around the US, all information was brought to managements attention
13. Our in-house cyber prevention efforts appear to be working well as the most recent report on phishing incidents in our organization resulted in zero clicks on the suspicious sites which results in a perfect score. 10 of 18 emails were reported through the phishing alert system as well.

Senator Singer asked Mr. Farina what his thoughts are on a picture ID that works as a key fob as opposed to just a key fob. Mr. Farina said we are pondering completing the rest of our key card access and will certainly consider that to make that part of the big picture-I think it would be a plus. Senator Singer ended with let's take a look at that for the future.

Senator Singer asks Mr. J. Flancbaum if there is good news concerning our wells in water allocation. Justin explains that one of the main concerns of the DEP was that we would have objections from neighboring water purveyors for the tools that we are proposing on Pine Street. I have spoken to the purveyors on Pine Street and it seems that based on our

latest revised application to the DEP, they're not going to be objecting. I have spoken to them a couple of times over the last several weeks, the DEP is very happy to hear that and hopefully they're going to move the process along over the next six months. Hopefully, within the next six months we should have permits for the two new wells on Pine Street. We have also obtained permits to construct those two wells. Application was made with the DEP to extent those permits. The division who does the permit extensions was happy to hear that the water allocation application is moving forward. Both divisions should be on the same page hopefully, this week. We are waiting on the permit renewal for the two new wells within the next few weeks and the allocation increase.

XI. Commissioners' Report

XII. MEETING OPEN TO THE PUBLIC

Norman Klugerkop introduces himself and says he lives in the Red Oaks Neighborhood. He questions the resolution executing the amended map with the NJ American Water Company, specifically which areas are being amended. He would like to understand exactly which areas are being amended. Adam Pfeffer, Authority Attorney says that now that the document has been approved and the resolution will be signed we have no problem circulating a copy of the amended map. Mr. Klugerkop says he has been trying very hard to get that map and hasn't been able to. The public does have a right to review the document. The commissioners received the map in their packet and had the chance to review it before voting, the members of the public should also be entitled to see the document. I can't give an opinion on something if I don't know what's there. Here's both a legal and non-legal question, why can I be denied seeing the map until after it's voted upon-it's incomprehensible to me. Mr. Pfeffer responds saying I cannot give you legal advice. I will tell you as far as the difference between the Township Committee doing an ordinance or something like that, it is open to public input. This is an ongoing conversation, an agreement from 2016 which there were open questions as to whose territory certain properties were going to be serviced by at that time. They came to an agreement with an understanding that should a need come later on based upon different developments, how properties are developed that we could have a chance to possibly look at this again and decide amongst the two companies, us and NJ American if this was economically feasible to either continue servicing it or to move to the boundary line. Mr. Klugerkop asks Mr. Pfeffer if one of those areas in question is the cemetery on Brooks Road. He is told he will have the map and can ask any questions later on. Mr. Klugerkop says this makes him uncomfortable but ok. Senator Singer ends with we are mandated by our governance to provide service to our purveyors at the most economic sense. Being there are two companies in Lakewood, one that covers about 2/3 of the town, we only have about 1/3 and are 40% cheaper, we continue to help as many customers as we can.

XIII. MEETING CLOSED TO THE PUBLIC

XIV. ADJOURNMENT

A **motion** was made by Mrs. Fish, seconded by Mayor Coles to adjourn meeting. **On roll call**, all members present voted **"Yes"**. The meeting was adjourned at 10:32 A.M.

Respectfully submitted,

Robyn Gray,
Secretary, LTMUA