



Board of Commissioners

Senator Robert Singer, Chairman

Raymond Coles, Vice Chairman

Anne Fish, Treasurer

Samuel Flancaum, Assistant Secretary

Michael Sernotti, Commissioner

Craig Theibault, Alt. Commissioner

P. G. Waxman, Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

August 2, 2016

- I. Senator Singer opened the meeting at 10:02 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. S. Flancaum, Mr. Sernotti, Mr. Waxman and Senator Singer. Mr. S. Flancaum was seated as an alternate. The following professionals and key personnel were present: Mr. Norman Smith, Esq., Mr. Gerwin Bauer Jr., Auditor, Mr. Justin Flancaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Paul Morrill, 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 July 12, 2016, was made by Mr. Sernotti and seconded by Mr. S. Flancaum. On a **voice vote**, all members present voted, "**Aye**". **Motion carried.**

Mrs. Fish arrived at 10:04 A.M.
- VI. **Chief Financial Officer Report**
 1. **Financial Results Review For Period Ending July 31, 2016**
The Authorities net position for the period ending July 31, 2016 is approximately \$1.8 Million which is approximately \$1.7 Million ahead of the budget. The Authority's operating revenue as of July 31, 2016 is approximately \$8.5 Million which is

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390 NEW HAMPSHIRE AVENUE, LAKEWOOD, NEW JERSEY 08701

PHONE (732) 363-4422 | FAX: (732) 905-0712 | WWW.LAKEWOODMUA.COM

approximately \$1.9 Million ahead of the revenue budget. This is still being driven by non-recurring connection fees which to date is close to \$1.1 Million. In the month of July the Authority had seven new residential connections and one commercial connection. The water and sewer service charges are up close to \$700,000.00 over budget for July 31, 2016. Senator Singer asked Mr. Rappoccio to prepare a report that would not include the new connections and present how much the revenue increased because of the new metering system. This will show the benefit of the new meters. Mr. Rappoccio said he will. The Authority's expenses through July 31, 2016 are \$5.9 Million. The expenses are right on target. The Authority is only \$46,000.00 over the expense budget and that is really good. Senator Singer asked if this is because of the increased revenues, since more volume probably means more overhead. Mr. Rappoccio said it could in certain line items. Senator Singer asked where the Authority is overspending. Mr. Rappoccio responded that the biggest line item was licenses and permitting. Mr. Rappoccio said for next year's budget he will take a closer look at that line item. Mr. Rappoccio said he discussed with Mr. J. Flancbaum where the expenses are at and they are both pleased. Seventy nine percent of the budget was used to date and there are three months left to go. Senator Singer wanted to make sure that the Authority was not under with insurance. Mr. Rappoccio said he keeps a good eye on the insurance. One of the big items that were seen in prior years that impacted the Authority was repair and maintenance. That cannot be foreseen but the Authority is getting close. The Authority will go over on repair and maintenance by the end of the year but it is not drastic. But otherwise the expense lines look very good.

Mr. Theibault arrived at 10:06 A.M.

2. **Motion to Approve Operating Vouchers**

Mr. Rappoccio provided the commissioners with a list of abstentions. There are two addendum items totaling \$9,049.17. One item is related to the Vassar Sewer Extension Project and the other is related to the P-Card account. The new Operating Expense total being requested for approval is \$995,337.17. A **motion** to approve operating vouchers in the amended amount of \$995,337.17 was made by Mr. Waxman, seconded by Mr. S. Flancbaum. On **roll call**, all members present voted, "**Yes**" with **noted abstentions. Motion Carried.**

VII. **Engineer's Report**

1. **Pine Belt Chrysler**

- Resolution Reducing Performance Guarantees

This resolution would reduce Performance Guarantees by seventy percent. In the packet there are several letters. Mr. Waxman asked Mr. Morrill if he recommends it. Mr. Morrill said yes. Mrs. Lapa read **Resolution # 16-101 Reducing Performance Guarantees Water And Sanitary Sewer Systems Pine Belt Chrysler.** Motion was made by Mr. Sernotti, seconded by Mrs. Fish. Senator Singer asked Mr. Smith for clarification for himself since Pine Belt is no longer on the Board at the bank that he works for because the bank was sold. Mr. Smith said it is not a conflict. On **roll call**, all members present voted, "**Yes**". **Adopted.**

VIII. **Attorney's Report**

Mr. Smith said he received a call a couple of days ago regarding the case that was settled with the Airport Road Water Tower bonding company. They will be wiring over the money today or tomorrow. Mr. Waxman asked if there is any outstanding litigation at this time. Mr. J. Flancbaum asked Mr. Smith regarding the Woodlake Greens and Mr. Fishman issue. Mr. Smith said that it is not really much. There is a lawsuit between Mr.

Fishman and the Homeowner's Association of Woodlake Greens. The Authority was nominally named as a party but the Authority really had nothing to do with it. It may resolve by itself.

IX. Executive Director's Report

1. Resolution awarding contract to Maser Consulting for Professional Services for installation of Video Surveillance equipment and card key access at (15) locations

A proposal was received a proposal from Maser Consulting for a total amount not to exceed \$49,500. 00 for professional services for video surveillance and card key access at all sites. This includes a study report, design, bid phase services, construction administration and part time construction observation for system wide implementation of video surveillance program. The proposal was reviewed with Mr. Farina and it is recommended to award contract. This video surveillance will put the Authority in line with the recommendations of Homeland Security. Senator Singer said that this very important. Mrs. Lapa read **Resolution #16-102 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 Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

2. Resolution awarding contract to Bil-Jim Construction Company, Inc. to repair valve boxes in six different locations

A Request for Proposal Opening was held on July 15, 2016 for repair of valve boxes at six different locations along New Hampshire Avenue. One proposal was received from Bil-Jim Construction Company in the amount of \$17,110.00. The proposal was reviewed and Mr. Flancbaum recommends awarding this contract to Bil-Jim. Mrs. Lapa read **Resolution #16-103 Awarding A Contract To Bil-Jim Construction Company, Inc. For Valve Box Repairs at Six Locations.** Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

3. NJ Clean Energy Program

In discussion with neighboring Authorities, Mr. J. Flancbaum found out that the BPU through its New Jersey Clean Energy Program offers a free energy audit. They will examine our facilities for free and make suggestions on ways to improve energy use and save money down the road. Mr. J. Flancbaum has asked the finance department to submit an application for this program.

4. Employee Evaluations

This month the Annual Employee Evaluations will commence. The evaluation form was modified to the JIF's format which is more streamlined. This is the form that other Utilities Authorities similar to our size use. Senator Singer reminded that the Personnel Committee has to do an evaluation for Mr. J. Flancbaum.

5. Capital Budget

This month the compilation meeting for the Capital Budget will start. Meeting will be set up for the department heads to put together the projects for the next year. Then a meeting with the Capital Budget Committee will be set up in September.

Senator Singer asked for an update on the Solar Project. Mr. J. Flancbaum said that it seems like CAFRA approval is necessary. Senator Singer asked if the application was made. Mr. J. Flancbaum said the Authority is not making the application. The Solar developer will be making the application. They started putting the documents together and have started site plans that can be submitted to the Zoning Board. Senator Singer

said that the site plans can be submitted to the Zoning Board prior receiving CAFRA approval. Mr. J. Flancbaum said he told it to them. Senator Singer said to keep in touch with Mr. Theibault with the tree replanting.

Senator Singer asked if anything more was heard from the County regarding the left turning lane in front. Mr. J. Flancbaum said the last that was heard was that they were going to set up an on-site meeting. Mr. J. Flancbaum said he spoke with the County engineer and told him the particular issues with the left turn. Senator Singer said to follow up with an email. There has to be a trail on it. He is not happy with what is going on. Senator Singer is concerned for the employees and the people coming in here. It has to be safe and they have to help the Authority. If nothing happens, the Authority has to take action. Mr. J. Flancbaum said that there is a meeting in Toms River with the County Engineering Department regarding another matter this Thursday and Mr. J. Flancbaum plans on bringing it up. Senator Singer said you have to stay on top of them.

Senator Singer said that when discussing the Capital Budget get the expansion of the Administration Building on the radar. An architect needs to be brought in and a discussion needs to have with the department heads with their needs for the future. Mr. J. Flancbaum said he met with a firm a couple of weeks ago and expects to get a proposal from them next week.

X. Instrumentation/IT Department Report
1. SCADA Control Room Progress Report

The new SCADA control room construction is well under way at the Shorrock Street Water Treatment Plant and it should be completed on schedule.

2. New GIS Candidate

A decision was made on a candidate to serve the Authority in the capacity of GIS Engineer. He comes from the Brick Township Municipal Utilities Authority with an extensive background in all phases of GIS involvement from the design stage up through implementation, maintenance and administration. The plan is to have this individual take ownership of our system, direct and oversee our contractors to make certain that all of the Authority's interests are addressed and that the Authority dollars dedicated to this project are used in the most productive and efficient ways possible. It is also important to note that this professional will be dedicated to GIS but will also serve as a backup and assistant to our IT and SCADA efforts as well. Pending successful background checks, he is slated to begin work in two weeks. Senator Singer said that Brick Township Municipal Utilities Authority is downsizing and this gentleman was let go and has the qualifications the Authority needed. This area is an expertise and the Authority was having a hard time finding someone. The Authority does not have the capacity to train someone in it. He will probably help the Authority in that aspect. He is a good find and they recommend him highly. He was only let go due to downsizing.

3. Well #2 Pole Issues

The Authority needs to install a pole at the Well No. 2 site in Leisure Village in order for the Authority to have the needed SCADA remote control to insure the finest water quality and delivery to customers. Mr. J. Flancbaum, Mr. McGregor and I are scheduled to meet with Leisure village officials this afternoon in order to inform them why it is needed. In addition, this pole will give the required ability to install video surveillance and card key access so that we may protect the drinking water at this currently unprotected and potentially vulnerable site. Senator Singer asked if their permission is needed to do install the pole. Mr. J. Flancbaum said yes. The Authority has an easement at the well

site. Their legal position is that the Authority cannot do more installations and the easement is just for maintenance. Mr. J. Flancbaum said he explained to them that infrastructure cannot just be maintained, it needs to be upgraded and operated also. The meeting will be held with their Board President and Attorney. Senator Singer asked Mr. Smith if the Authority legally has a right to put up the pole. Mr. Smith said frankly, he has not been presented with this. He has not seen the easement and Mr. Smith thinks the easement predates him. He will be happy to look at the easement and attend the meeting if the Authority wants him to. Senator Singer asked if Leisure Village's attorney will be present at the meeting. Mr. J. Flancbaum said that they said their attorney might attend. Mr. Waxman asked if it is a mistake to bring the attorney. Mr. J. Flancbaum said the main purpose of the meeting is to speak to the President of the Board. Senator Singer wants to make it perfectly clear that if the Authority or Executive Director goes someplace and they have an attorney, the Authority needs to have an attorney there. Senator Singer said he believes the Authority has the right to protect ourselves. This is an undetected area and surveillance is needed. This is not intrusive. They have to understand that the Authority is doing this for their protection. This is not the homeowner's association going crazy, this is the Board making them go crazy. There is no option here, the pole is needed. Mr. Smith said he is happy to take a look at this. Senator Singer said let's wait and see what the outcome of the meeting is. This is about Homeland security. Mr. Smith said if in fact, hypothetically the easement is very restrictive and the Authority cannot do it, he can condemn it. Senator Singer said they have to understand that this is being done for their safety. Mr. J. Flancbaum said the meeting is set up to be a friendly meeting and a discussion why it is needed. Senator Singer asked how tall the pole is. Mr. J. Flancbaum said it is sixty feet out of the ground. Mr. Waxman asked if it needs to be that tall. Mr. J. Flancbaum said it needs to be that tall in order to get line of sight to the Airport Road Tank. The microwave radio equipment needs line of sight. Senator Singer asked if it is intrusive to anyone in Leisure Village. Mr. J. Flancbaum said that it really is not. One thing they said is that their community is one of the first communities built without above ground utilities. Every utility is underground, therefore, they do not have any poles there. So it is understandable that they are questioning. Well No. 2 is on a back side road. It is not a big pole in the middle. There are residents that face Well No. 2. But it is not intrusive. Mr. Waxman asked how much more it would cost to do wireless equipment. Mr. J. Flancbaum said it does not work. Video surveillance requires a certain bandwidth. The Authority's 900 MGH radios cannot accommodate the video surveillance and SCADA together. Senator Singer said that in today's world, the Authority has an obligation to make that they are protected and it must be said to them like this. This is for their protection and safety. End of discussion. Mr. Theibault suggested perhaps the Authority should present to them that we can do some landscaping for them up to twelve feet. Mr. J. Flancbaum said that they had asked if the pole can be one of those poles that look trees. Mr. J. Flancbaum told them that the Authority can do anything within reason to accommodate them but it has to be done. Mr. Morrill said that this is the site that the Authority had forty drill rods stolen and this is in a closed community. Senator Singer said that is a good point. It should be brought up. Mr. Waxman said the Authority should ask them to sign for the liability and they will run. Senator Singer asked Mr. J. Flancbaum to keep the commissioners updated on this.

IT Status Report

4. Authority Network Infrastructure Update

Our full network assessment was completed by our new vendor StarNet Solutions. They have located the issues that were in our system that was causing periodic outages among other issues. We have accepted one of their two proposals in order to fix these

issues. We will proceed forward with implementing the new networking switches that will give true and reliable radio back up along with strong security for our SCADA and Administration operations.

5. Workplace attack awareness

IT is now in the stages of planning to prepare for workplace attacks.

6. Server Upgrade

The server upgrades are in the planning stages.

7. Engineering Data Base

Progress is being made in the setting up of the Engineering database so that it will run on our EMaint computerized management system.

Senator Singer said it is realistic that the Authority constantly look at and upgrade the cyber aspect. Mr. Farina said that we are constantly monitoring and we are constantly under attack. This is being fought daily. The majority of the attacks come from out of the country. Senator Singer said he just came from Europe and hackers were trying to get into his daughter's amazon account. All the employees have to change their passwords on a regular basis. Mr. J. Flancbaum said it is being done. Mr. J. Flancbaum said the Authority was spoofed. When he was on vacation, Mr. Rappoccio received an email allegedly from him requesting information for an outbound wire transfer. Mr. Rappoccio called him right away. Senator Singer said wire transfer requests have to be confirmed, not with an email, by voice. Mr. J. Flancbaum said education for the staff is very important. Senator Singer said that a protocol has to be set for wire transfers. Besides Mr. Rappoccio signature on a wire transfer, another signature should be required. It should be double checked. Automation is a great thing but it opens up other issues.

XI. Commissioners' Report

Mr. Theibault said that at last month's meeting there was discussion about the feasibility of having an access way out of the New Hampshire Avenue facility over towards Public Works. Since land will be cleared over there would it be feasible to have an access that would go around the gated area and out into the Public Work area. Mr. J. Flancbaum said that there are two aspects to that area. The first aspect is the solar developer will need temporary construction access and some permanent access to the site. There will be no clearing along New Hampshire Avenue. There will be as much buffer as possible. But once getting into what the County requires, and the improvements that are necessary and the drainage, it will probably not be worth it because of the buffer being kept there. What is being looked at is access from America Avenue. Whether it be public access or just gated access for the employees is not certain yet. Senator Singer said that with the expansion of the Administration Building this is going to be looked at. Mr. Theibault said that there is a paper street there. Senator Singer said that it has to be made viable so we do not end up creating problem with people come in and out, snow plows etc. Mr. Waxman said we also do not want this road to be used as a by-pass road. Senator Singer said that is an issue and a big concern. People will use it and fly through the parking lot. Mr. J. Flancbaum said that is why the thought was just to make an access road for employees. We are not one hundred percent sure yet. But that is one of the ideas that we are looking into. Mr. Theibault suggested that there can be a gate that opens with a key card for employees. Senator Singer said that those gates can be knocked down easily and that is concerning. This opens up another access. This will be looked into to see if it is feasible and makes sense both economically and

ease of use. Mr. Theibault said the problem is the left hand turn into the Authority's parking lot. Senator Singer said that when making a left turn into the parking lot and there is a car making a left turn into Quick Chek they block your view and you cannot see if there are cars in the other lanes. Senator Singer said that is what he sees to be the problem. Senator Singer said he is not concerned about Quick Chek that is their problem not the Authority's. This is a hazard. They have to solve it. Another access way that will make it safer for the employees and the public is what the Authority would like to see.

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

XIV. ADJOURNMENT

A motion was made by Mr. Waxman, seconded by Senator Singer to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:34 A.M.

Respectfully submitted,

Nechama Lapa,
Secretary, LTMUA