

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

October 10, 2012

- I. Senator Singer opened the meeting at 1:03 P.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 10, 2012 and the Tri Town News on February 16, 2012.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Gerwin Bauer, Jr., Auditor. Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation/IT Department Supervisor were in attendance.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting on September 4, 2012, was made by Mr. Coles and seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Motion carried.**
- VI. **Accountant's Report**
Mr. Bauer reported that the Budget is going well. He is working on the capital portion. He is working with Mr. Morrill on this. The accounting is up to date through August. With the increased revenue and usage, this year looks very promising. Mr. Bauer is hoping, but cannot guarantee, that it has increased enough to absorb the new hires and the increase in post-retirement benefits. Senator Singer said the capital part of the budget should be reviewed with the commissioners. Ask two of the commissioners to look at it and come back with recommendations.

Mr. Theibault arrived at 1:05 P.M. and was seated as an alternate.

Senator Singer asked Mr. Bauer if he had a chance to look at the letter from the Bond Counsel regarding adopting post bond issuance compliance measures and wanted to

know if this is necessary. Mr. Bauer said he would advise to do what it says. They really look at these low interest rates, and they can go even lower. Senator Singer said in the letter from the Bond Counsel they suggested that the Authority adopt a policy dealing with the bonds that is required by the IRS. The Bond Counsel has a template that the Authority can use at a cost of \$5,000. It was discussed with Mr. Smith whether he would want to create a policy template. Mr. Smith said he can do the research to create it, but it would not be money well spent for the Authority for him to do it. Senator Singer would like Mr. Bauer to look over the letter first to see if it necessary. Senator Singer said when the IRS goes over the forms and sees that the policy was not adopted and therefore not checked off on the form that we have the policy, it would create an automatic audit for the Authority. It would not be a problem for the Authority to have an audit. But it is more expensive to have an audit than to pay for this policy template. By next meeting we will have a resolution to adopt the policy.

Mr. Sernotti arrived at 1:07. Mr. Theibault is no longer seated as an alternate.

VII. Engineer's Report

1. New Hampshire Avenue Treatment Plant

- Resolution Awarding Change Order to Professional Services Contract
- Resolution Awarding Change Order #7 to Construction Contract

A letter was received from Hatch Mott MacDonald in August detailing requests for several increases for inspection services. They separated them into different categories at the Executive Director's request. One of the categories is for the work that is associated with the issue that we had with the filters. The amount is for \$72,500. Mr. Smith agrees that at this time it would be okay to go ahead and agree on this amount. Mrs. Lapa read **Resolution # 12-107 Authorizing Change Order Expansion and Upgrades to New Hampshire Avenue Water Treatment Plant**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On **roll call**, all members present voted, "**Yes**". **Adopted**. The Change Order for the contractor in the amount of \$44,776 is for items that were already approved. This resolution is a formal approval. It includes approximately \$22,000 for the bathroom in the vehicle storage building. \$13,000 is for the changes to the Operations Building during construction. It also includes replacement of the exterior doors on the treatment plant. This Change Order also includes a \$15,000 credit for the deletion of some electronics. Mr. Smith agrees that at this time it would be okay to go ahead and agree on this amount. Mrs. Lapa read **Resolution # 12-108 Authorizing Change Order No. 7 Expansion and Upgrades to New Hampshire Avenue Water Treatment Plant**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On **roll call**, all members present voted, "**Yes**". **Adopted**.

2. 216 Joe Parker Road 28 Lot

- Resolution Granting Final Approval

In the packet on page seventeen is a letter dated October 2, 2012. The letter details the requirements that are still open for Technical and Final Approval. The granting of Final Approval today will be contingent upon them meeting all the requirements of the letter dated October 2, 2012. Mrs. Lapa read **Resolution # 12-109 Off Site Water Main Grant of Approval Joe Parker Road 28 Lot Subdivision**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

3. Possible Abandonment of the Woodlake Pump Station

- Resolution Ratifying Reduction in Cost

On August 7, 2012 the Authority approved to award Professional Services Contract to Van Cleef Engineering in the amount of \$49,500. They sent the Authority a revised proposal indicating that they felt that they can do their work for \$45,500. Mrs. Lapa read **Resolution # 12-110 Authorizing Change Order No. 1 Elimination of the Woodlake Pump Station**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

4. Brick Township Municipal Utilities Authority Interconnections

Resolution Awarding Change Order #2 to Professional Services Contract
This Change Order is for Leon Avakian in the amount of \$4,369.50 for an increase needed for test pits. When they went out to do the test pits, they found that none of the mapping was accurate and the test pitting work was way above what they expected. We negotiated with them a price and this is what was settled upon. Mr. Waxman questioned whose fault is it? Mr. Morrill said that in order to create a set of drawings during construction to gather the information and not create Change Orders, they needed to do the test pits. Mr. Waxman asked if he is comfortable with this amount. Mr. Flancbaum said that this is a pass through of what the contractor charged them. Mr. Morrill said he is not happy about this but he is comfortable with the number. Senator Singer said that the Authority does not have the proper mapping because it is in the older part of the system. Mr. McGregor said that he was with them when they were doing the work. They found that the mark outs were more south than they thought when they dug it up. Also, it was seven feet deep instead of four feet deep. Mrs. Lapa read **Resolution # 12-111 Authorizing Change Order No. 2 and Extend Contract Interconnection Between LTMUA and BTMUA**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

5. Well 2 Repairs

Resolution Awarding Professional Services Contract
Mr. Morrill said it was recommended and he thinks it would be prudent to pull the pump and motor for Well No. 2. The estimated cost for this would be between \$7,000 and \$10,000. They will also check to see how the gravel pack is doing. An attempt was made to install a probe so that we would be able to follow the gravel pack but it did not work out as hoped. The engineers estimated that the combination of the preparation of the plans and specifications and also inspection and writing up the report would total approximately \$4,500. This resolution would award a professional services contract of \$4,500 to Hatch Mott MacDonald for the engineering work. Mrs. Lapa read **Resolution # 12-112 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**.

6. Administration Building Landscaping and Irrigation Work

Resolution Awarding Contract
On September 7, 2012 a Request For Proposals was issued. On September 21, 2012 one proposal was received from Meticulous Landscaping in the amount of \$7,800. The engineer reviewed it and it did seem reasonable. Mr. Morrill said this is for irrigation and landscaping. Mrs. Lapa read **Resolution # 12-113 Awarding Contract Irrigation Services for the Administration Building**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On **roll call**, Mr. Sernotti, Mr. Coles, Mr. Waxman and Mrs. Fish voted, "**Yes**". Senator Singer abstained. **Adopted**.

7. Cellular Antennas – Project Status

The antennas for Verizon have been mounted on the Airport Road Storage Tank. Some of the work for Sprint has been mounted on the tank, but not the antennas or cables. There is no electricity at the tank. The Electric Company has not been cooperating. Senator Singer asked why he was not called if there were problems. Mr. Morrill said that they were threatened and they responded. Mr. Flancbaum sent a letter to Sprint reminding them that their lease began thirty days after their construction permit was issued. They have acknowledged the fact and are in the process of issuing a check. On September 17, 2012 the Authority received a proposal for engineering services from Remington Vernick and Vena for rebidding the Ridge Avenue Tank in the amount of \$12,400. Mr. Flancbaum and Mr. Morrill would like to wait on this until there is a meeting with Verizon. The attorney issued a letter on September 25, 2012 to T-Mobile terminating their bid that the Authority received earlier.

8. Pine River Village – Project Status

Mr. Morrill said that the Authority has received calls from Pine River Village Office stating that they are not happy with the amount of money they were paying on the inspection. We have done our best to keep those numbers down. We greatly reduced our inspection. We went out to look at one the meters that they was going in and found out that the contractors were using the Authority's fire hydrant. Now the Authority's inspector has been authorized to pass through the site twice a week. When they were told that that the water was being used, they said they did know anything about it. We told them that if they cannot monitor it, then the Authority will have our people monitor it. Senator Singer said that they are in violation. Mr. Waxman said that it is their responsibility. Senator Singer said that they were upset about our inspectors and being overbilled. Senator Singer asked Mr. Flancbaum to find another inspector and give him a small project. Then compare the cost factor and time. They claim that our inspector is there a whole day and really should only be there for a half of a day. Senator Singer asked Pine River Village which day was he there for more than needed and they could not tell. They have a complaint against the Authority. So we want to verify the complaint factors so we do not have to hear this from someone else. Mr. Coles asked if we have audited the inspector's timesheets to see when he has been out there. Mr. Flancbaum said yes and we provided it to them. Senator Singer said they claim that he doing one inspection and because he has nothing else to do in the area he stays there a whole day and other inspectors come and then leave for another job and then come back. Mr. Coles said if the Authority is auditing his timesheets, we know how many inspections he is doing and how much to bill them. Senator Singer said they claim that he does not have to be there as long as he does. Mr. Flancbaum said that the Authority sent them all the timesheets and logs. If he says he was there from nine o'clock till twelve o'clock and you can tell me he was not there from nine o'clock till twelve o'clock and you have a witness, then there is something. Mr. Coles asked if we have a way of telling if a guy says that he was there for three hours that he had enough work for three hours. Mr. Flancbaum said the inspector comes here to the Authority and tells us where he is going. At the end of the day he brings his logs back. Senator Singer said that the economic times are making everyone more careful. Mr. Coles said that the Authority should be able to know if our guys are not doing what they are supposed to be doing. Senator Singer said what they are arguing about is arbitrary. They said that he does not have to there and the inspector says he has to be there when they are doing those things. Mr. Coles said as long as the Authority's workers turn in the proper documentation. Mr. Flancbaum said that they withheld payments. Mr. Waxman asked if there is a penalty for using the fire hydrant. Senator Singer said the penalty would be to go find out who did it and we have no way of monitoring how much was used. Senator Singer asked if he thinks the Authority should create a fine system. Mr. Waxman asked if a letter can be sent to them saying that if the Authority finds out who it is, there will be

criminal charges. Mr. Smith said that the Authority can send such a letter if they would like to. Senator Singer said it would cost more to have the letter sent than we would get back in water. Mr. Waxman asked how do we know that they are not stealing from the hydrants now. Senator Singer said that we go by the area and keep an eye on them. The Authority has a certain amount of thefts from hydrants on a regular basis. We cannot put cameras on them, because there are too many of them. It is a natural phenomenon, people steal from hydrants. There is also a certain amount of leakage in the system that is a loss for the Authority. If we see who is stealing the water we can prosecute. It is done at night many times. Mr. Morrill said it is typically the masons that steal the water.

Mr. S. Flancbaum arrived at 1:20 P.M.

9. As-Built Drawings for Residential Applications – Project Status

This will be discussed on the Executive Director's agenda.

VIII. Attorney's Report

Mr. Smith said he attended a return date on the Order To Show Cause on the Turnpike Authority condemnation. Judge Grasso brought the Attorney General, Wolff Samson the attorney that represents the Turnpike Authority, the Lakewood Township attorney, the Lakewood Industrial Commission attorney and me into the Chambers. Mr. Smith said that he attended to protect the Authority's structure. He has a letter from Mr. Morrill stating that what the Turnpike Authority is seeking to take does not have within it facilities or easements of the Authority. Although, the blocks and lots that they are part of do have facilities and easements of the Authority. Mr. Smith wants to make sure that when they go to construct on those narrow strips that they are taking they do not somehow damage, block or destroy what the Authority has there. The Attorney General is still opposing it, which is a remarkable situation. Mr. Smith found out when he was that what their legal position is. Apparently, three of the lots should be owned by the State. Two of them were conveyed by the Township of Lakewood to the State. There was an Ordinance adopted authorizing the conveyance of three lots, but only two were. The State is very jurisdictionally protective of the rule of law that says that the Turnpike Authority cannot acquire by condemnation anything on State property. Mr. Smith said that it seems to him that there is another agenda in there and cannot believe the State is arguing with them. The Judge said they should all communicate and then come back in thirty days. He suggests that they settle these issues immediately. Senator Singer asked if there is any reason these issues cannot get settled. Mr. Smith said we can settle it. Mr. Smith said that if a right of access is needed he would recommend to the Authority to sign a right of access as long as they do not damage or block near the Authority's facilities. They agreed to it. It will be worked out. The Judge told Mr. Smith that he should write something up with Wolff Samson that will memorialize the agreement. It will be done this week or next week. The Attorney General is digging in his heels. He was instructed by Judge Grasso to settle his issues.

IX. Executive Director's Report

1. Resolution to award contract to GTS Consultants for preparation of As-Built for new residential connections

Every year the Authority receives a handful of requests from homeowners to connect into the system. The Authority has not been doing as-builts for these new connections. With the gradual implementation of our GIS System, as homeowners connect to our system the Authority would do as-builts which gives information on new connections showing curb stops, clean outs, and pipe locations. When a homeowner submits an

application, the fee is \$40.00. The homeowner also pays \$2800 water connection fees and \$1400 sewer connection fees. The proposed cost from GTS Consultants for an as-built is \$904.50 per connection. This includes an inspector, survey crew, and a CADD tech to overlay the data into GIS format. Mr. Flancbaum explained this is applicable to a handful of new homeowners a year. On new construction as built are given to the Authority. It is important for the Authority to have as built with the implementation of the GIS System. Senator Singer said that the Authority needs to absorb this cost. Senator Singer asked Mr. Morrill if he thinks this is fair. Mr. Morrill said the numbers are legitimate. Mrs. Lapa read **Resolution # 12-114 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.**

2. Resolution to Award Contract Remington Vernick and Vena Engineers for public noticing services for chloramine disinfection

The Authority is purchasing water from Brick Township MUA. The Brick Township MUA utilizes chloramines as a disinfectant in their water supply. Chloramine is a by-product of ammonia. With chloramine in our water system, we are required to notify our customers, particularly renal centers and aquarium owners that chloramine will be introduced into our system. A different type of treatment has to be put in the aquariums so the fish do not die. The Authority asked Remington Vernick and Vena Engineers for a proposal to research what type of notification is necessary, to give us a draft notice and to whom we are required to notify. They will send out the notice. The Authority received a proposal from them with total cost of services not to exceed \$5,000. Senator Singer said that this is necessary. There are very expensive fish costing thousands of dollars and we do not want them coming to the Authority that they died and a bill. Mr. Coles recommended we find out from Brick Township MUA how they notify their customers. Senator Singer said we need Remington Vernick and Vena to identify who needs to be notified. Mr. Bauer questioned how do you know who has aquariums. Mr. Flancbaum said that the regulations are complicated. Senator Singer said the situation here is not that a note can be sent out to everyone and that is all that needs to be done. It has to be done the right way. Mr. Flancbaum said that we got from Brick Township MUA what they sent out in 2004, but things may have changed since then and there are particular requirements. It is in the best interest of the Authority to have it researched now and the Authority does it right. Mr. Flancbaum would like to note that if there will be a bulk mailing to the customers others than the renal centers and aquarium owners identified in the proposal, the postage for that bulk mailing would not be included in this proposal. Mrs. Lapa read **Resolution # 12-115 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.**

3. Resolution to Award Contract to Meticulous Landscaping, Inc. for irrigation services – Was discussed in the engineer's agenda.

4. Resolution to approve change order to Hatch Mott MacDonald for Contract 17- Construction Observation Budget-New Hampshire Avenue Water Treatment Plant expansion and upgrades - Was discussed in the engineer's agenda.

5. Website Redesign

Mr. Flancbaum said that he thinks the Authority's website needs to be refreshed and brought up to date. He would like it to be more user-friendly. Mr. Flancbaum has a prototype of what he would envision the website to look like. The prototype was brought

up on the screen and a copy was handed out to everyone. It has a lot more information right there without scrolling down. It has the emergency number to call right there. Mr. Flancbaum contacted Duvy's Media. Duvy's Media did the Township's website. Duvy's Media will give us a proposal to redesign the website.

6. Cell Lease Purchase

The second closing on the cell leasing purchase took place. It was for approximately \$220,000. The company that purchased the lease easement cannot actually take ownership of the easement until the radio signal is live. The radio signal is not live yet. Mr. Smith has the money in escrow. As soon as it is completed the money will be released to the Authority's account.

X. Instrumentation/IT Department Report

Mr. Farina reported that the replacement of the radio/antenna for the Shorrock Street link has been installed and tested. As of late last week, the communications system has been switched totally onto the new equipment. We do have an equipment failure which New Jersey Business System is aware of and is in the process of addressing. There are still two outstanding links that must be built and completed before the radio/antenna work can be said to be officially completed. New Jersey Business System has further testing to do at the two sites which are Well No. 2 in the Original Leisure Village and Well No. 3 on Towbin Avenue.

In a related matter, we are reviewing an additional contractor to give us a radio/antenna service contract quote in addition to New Jersey Business System.

So far the Authority has received two quotes for the security and fire alarm installations for the Vehicle Storage Building, Well No. 7, Well No. 17 and the Filter plant buildings. The first quote was received from Underground Utilities Corporation. The second quote was received from System Sales Corporation. Their quote was approximately two third less than the quote we received from Underground Utilities Corporation. The Authority will be getting a third quote from Heim Electronics, Incorporated.

Work is continuing with respect to the SCADA automation of the water treatment plant. Most problems with the programming are being worked out. Although we still have some problems that need to be rectified. One issue we are having is the Variable Speed Drives that had defective parts. We are waiting to get them from the manufacturer.

We have implemented a network attached storage system to create secure, encrypted backups of all the SCADA computers on a nightly basis. This is stored in the administration building. This ensures a second layer of disaster prevention with the manual backups we do before instituting any major changes to the system.

We have also streamlined the process of performing remote emergency maintenance on the office computers. In addition, we have upgraded the air cards and processors on the field laptops in order to assure quick and reliable connections to the SCADA system during off hours.

XI. Commissioners' Report

Senator Singer said he noticed the walkways and the new entrance was done. He hopes that there will be better signage. Senator Singer wanted to know in general, how this project is coming along. Mr. Morrill said the project is slightly behind schedule. The project was supposed to be completed at this time. They say that the paving will be done in two weeks. Mr. Morrill thinks that the paving will probably be completed by next

month's meeting. Senator Singer asked if all the buildings are secure. Mr. Morrill responded that all the buildings are secure at this time. Senator Singer asked if the heat is in. Mr. Morrill said no. Senator Singer said he is saying it now, and has been saying this for months. There might be a cold snap in November and then there will be problems. The contractor has to be put on notice. Mr. Morrill said he has been telling this to him for three months. Senator Singer said that we deal with water over here. It will be a mess here. Senator Singer said he wants to keep the Authority out of a mess. Mr. Morrill said we will provide temporary heat until we have permanent heat in place. Senator Singer said there are plenty of heating companies around, why could it not be done. Mr. Morrill said he does not know why. Senator Singer if you need to, bring the contractor to the next meeting. Put him on notice. The Authority was promised that it will be done already. Senator Singer asked how the drainage was after the last rain storm. Mr. McGregor said it is a lot better than before. Mr. Morrill said there is still some stabilization that is going on to get the grass growing in certain areas. Senator Singer asked if the parking lot was clean and if there was any puddling. Mr. Morrill said there was not any significant puddling. Senator Singer said that if more drainage is needed; put it in now before the top coat is put down. Also, it needs to have the top coat down in order to plow properly this winter in case of a snow storm. We should think about having Mr. Smith send him a letter stating that if there is a problem with the plowing this winter or a freeze up, he will be responsible. Mr. McGregor said that he sent the contractor an email yesterday, saying almost exactly what Senator Singer expressed earlier. Senator Singer asked if there is anything that he is happy with this project. Mr. Morrill said that the quality of work is very good and he is very happy with it. It just takes a while to get things done. They have an extremely qualified crew. Whenever they have materials, it goes in immediately. The problem is getting the materials to the site. Senator Singer said he is happy to hear that. Mr. Morrill said that the heating unit is in but they do not have the control panel to turn it on. Apparently, they had to design the control panel and then get it approved. Senator Singer said to make sure to stay on top of the situation with the heat and the general cleanup of the area. He likes the additional parking here and the sidewalk is good for walk in customers.

Mr. Theibault said that the seeding should be fertilized again. He also wanted to know if the irrigation system is being put in by Meticulous Landscaping under their contract. Mr. Flanbaum said yes. Mr. Theibault said can it be put in before we award the contract? Mr. Flanbaum said that a phone poll was done after the opening was held for the request for proposals. Mr. Morrill said that he should have said that this is not awarding the contract; it was ratifying the phone poll.

XII. MEETING OPEN TO THE PUBLIC

There was no response from the public.

XIII. MEETING CLOSED TO THE PUBLIC

XIV. MOTION TO APPROVE THE OPERATING VOUCHERS

A **motion** was made by Mr. Waxman and seconded by Mrs. Fish to approve the amended Operating Vouchers in the amended amount of \$899,254.90. On a **voice vote**, all members present voted, "**Aye**". **Motion passed.**

XV. CLOSED SESSION

XVI. OPEN SESSION

XVII. ADJOURNMENT

A motion was made by Mr. Coles, seconded by Mr. Waxman to adjourn meeting. On a voice vote, all members present voted, "Aye". The meeting was adjourned at 1:50 P.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA