



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

February 2, 2016

- I. Senator Singer opened the meeting at 2:18 P.M. in the Conference Room of the Lakewood Township Municipal Utilities Authority, 390 New Hampshire Avenue, Lakewood, New Jersey immediately following the Annual Reorganization Meeting.
- 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 6, 2015 and The Tri Town News on February 11, 2015.
- 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, Mrs. Fish and Senator Singer. Mr. S. Flancbaum and Mr. Theibault were seated as alternates. 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 Regular Meeting held on January 5, 2016, was made by Mr. Sernotti and seconded by Mr. S. Flancbaum. On a **voice vote**, Mr. S. Flancbaum, Mr. Sernotti, Mrs. Fish and Senator Singer voted, "**Aye**". Mr. Theibault abstained since he did not attend the meeting. **Motion carried.**
- VI. **Chief Financial Officer Report**
 1. **Financial Results Review For Period Ending January 31, 2016**
The Authorities net position for the period ending January 31, 2016 is \$1,048,000.00 which is approximately \$454,000.00 ahead of the Budget as of January 2016. The Authority's operating revenue is approximately \$2.6 Million. The revenue is higher than

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the Budget by approximately \$472,000.00. This is being driven by non-recurring connection fees of approximately \$300,000.00. To date there are thirty three new accounts in the system. In January six new account came on the system. This consists of five residential and one industrial. The Authority's expenses through January 31, 2016 are \$1.6 Million which is slightly ahead of the Budget. This is driven by some repairs and maintenance needed at the Shorrock Street facility. Excluding the non-recurring connection fees of \$300,000.00, the actuals are slightly ahead of the budget through January.

2. Motion to Approve Operating Vouchers

There was one addendum item to the Operating Expenses from what was sent on Friday. It was for DSC Construction in the amount of \$12,390.91. This was for the project related to Wells No. 1 and No. 3 Sanitary Sewer Laterals. The new Operating Expense total being requested for approval is \$1,905,966.50. A **motion** to approve operating vouchers in the amended amount of \$1,905,966.50 was made by Mr. Sernotti, seconded by Mr. Theibault. On **roll call**, all members present voted, "**Yes**". **Adopted.**

3. Affordable Care Act Reporting Extension/New Tax Provisions Update

Notification was received from the State regarding the Affordable Care Act with regards to the Cadillac Tax. This is a tax that would have to be paid related to the Authority's benefits costs. That payment was scheduled to start in January 2018. It has been delayed for two years to January 2020. Mr. Rappoccio calculated the cost to the Authority if it would start today would be close to \$17,000.00 per year. Senator Singer stated that the State is taking a hard look at this because this is for everyone in the State, including retirees, which comes to millions of dollars. If this continues, although it may not, there will be a restructuring of the State Health Benefits Program to meet the Non Cadillac Tax. The problem is that only way to afford to do this is a pass through. Senator Singer thinks that there is a lot more to come. This was delayed because of a lot of pressure.

Senator Singer asked Mr. Bauer if he would like to report. Mr. Bauer said that the Annual Audit has been going very well. He is working closely with Mr. Rappoccio. They are working on the last few items. Mr. Bauer is waiting for the bill from OCUA to see if there are any overages. Mr. J. Flancbaum spoke with them recently. The Capital portion is finished. Mr. Bauer has to get pension figures from the State for the new footnotes that are required.

VII. Engineer's Report

1. Cedarwood Hills

- Resolution Reducing Performance Guarantees

These reductions are detailed in the Authority letter dated January 26, 2016 and is recommending a reduction of twenty five percent. Mrs. Lapa read **Resolution # 16-26 Reducing Performance Guarantees Water And Sanitary Sewer Systems Cedarwood Hills Development.** Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, Mr. S. Flancbaum, Mr. Sernotti, Mrs. Fish and Senator Singer voted, "**Aye**". Mr. Theibault abstained. **Adopted.**

2. Tuscany II

- Resolution Granting Final Approval Phase 1
- Resolution Granting Technical Approval Phase 2

A letter from GTS dated January 25, 2016 details the condition for approvals. Mr. Theibault asked if this project is a subdivision of County Line Road. The response was yes it is. Mr. Theibault said that he is doing business with the company but is not doing business at that site. Senator Singer said that if you are doing business with the company, you cannot vote on it. Mr. Smith said that is correct. Mr. Theibault cannot vote he needs to abstain. Mrs. Lapa read **Resolution # 16-27 Grant Of Final Approval Tuscany II Phase I**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **roll call**, Mr. S. Flancbaum, Mr. Sernotti, Mrs. Fish and Senator Singer voted, "**Yes**". Mr. Theibault abstained. **Adopted**. Mrs. Lapa read **Resolution # 16-28 Grant Of Technical Approval Tuscany II Phase II**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **roll call**, Mr. S. Flancbaum, Mr. Sernotti, Mrs. Fish and Senator Singer voted, "**Yes**". Mr. Theibault abstained. **Adopted**.

3. New Hampshire Heights

- Resolution Granting Final Approval

Final approval will be conditioned on the items in the GTS letter dated January 18, 2016. Mrs. Lapa read **Resolution # 16-29 Grant Of Final Approval New Hampshire Heights**. Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

4. Magnolia I

- Resolution Granting Technical Approval

Technical approval is condition on the terms in the letter from T&M Associates dated January 26, 2016. Mrs. Lapa read **Resolution # 16-30 Grant Of Technical Approval Magnolia I Subdivision**. Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

5. Test Wells at Ball Park

- Resolution Awarding Contract

This contract is being awarded to A.C. Schultes Inc. for the construction of two test wells on the Ball Park property. The contract is in the amount of \$47,990.00. The Authority received three bids on the project. The amount of the bids ranged from \$47,900.00 to \$57,900.00. Mrs. Lapa read **Resolution # 16-31 Awarding Contract For Test Well Installation At First Energy Park**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On **voice vote**, all members present voted, "**Aye**". **Adopted**.

6. Abandonment of the Woodlake Pump Station

- Resolution Awarding Change Order #3
- Resolution Awarding Change Order #2 for Professional Services

The resolution awarding Change Order No. 3 is for Pillari Brothers Construction Corp. in the amount of \$8,018.00. The majority of this is for concrete foundations that were found during construction that were not known to the Authority at the time of the plan preparation. Mrs. Lapa read **Resolution # 16-32 Authorizing Change Order No. 3 Abandonment Of Woodlake Pump Station**. Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

The resolution awarding Change Order No. 2 to Van Cleef Engineering Associates for professional services is in the amount of \$4,700.00. This is a pass through for soil test pits that were done before the bidding. Mrs. Lapa read **Resolution # 16-33 Authorizing Change Order No. 2 Abandonment Of Woodlake Pump Station**. Motion

was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

7. Leisure Village Drainage Improvements Maintenance Area

Resolution Awarding Change Order #1

The Change Order is for Underground Utilities in the amount of \$7,490.60 for the installation of a sanitary sewer in Leisure Village maintenance area. This change order is for imported fill material due to the poor nature of the material that was found. Mrs. Lapa read **Resolution # 16-34 Authorizing Change Order No. 1 Leisure Village Drainage Improvements Maintenance Area**. Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

VIII. Attorney's Report

Mr. Smith said that he reported earlier on the settlement of the litigation.

IX. Executive Director's Report

1. Resolution Authorizing the Disposal of Surplus Personal Property

With the recent receipt of a Ford F-250 with snowplow package, the Authority is able to surplus the 1998 GMC with snowplow to the Lakewood Township. The Lakewood Township has passed a resolution accepting the vehicle. Senator Singer said the good news is that the Township received it before the snow storm and was able to use during the snow storm. The Township appreciated it very much. Mrs. Lapa read **Resolution # 16-35 Authorizing Disposal Of Surplus Personal Property**. Motion was made by Mr. Sernotti, seconded by Mr. S. Flancbaum. On **voice vote**, all members present voted, "**Aye**". **Adopted**.

2. Resolution Awarding Contract for Cleaning Service for the Year 2016

At last month's meeting a contract for cleaning services was awarded to the lowest proposer. Following the meeting several attempts were made to contact them. The company did not return our phone calls or emails. Therefore, the contract should be awarded to the second lowest proposer, ABM Janitorial Services, Inc. the same company that was used in 2015. Their proposed price for this year was \$868.09 per month; however after talking to them, they have agreed to keep the same price as last year which is \$842.81 per month. Senator Singer asked who they are. Mr. J. Flancbaum said that they are a national cleaning company and we are happy with them. Mrs. Lapa read **Resolution # 16-36 Terminating The Cleaning Service Contract With Best Cleaning Building Service And Awarding Contract To ABM Janitorial Services Northeast, Inc. For Cleaning Services For The Year 2016**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

3. Resolution Awarding Contract for Technical Support and Maintenance of Computer Hardware and Operating System

A proposal was received from LookFirst Technology, LLC for IT maintenance and ongoing support for the Authority's computer technology requirements. Their price for 2016 is \$14,832.00. LookFirst has been our IT support company for many years and we continue to be very satisfied with their level of service and experience. Mr. J. Flancbaum recommends awarding them the contract for 2016. Mrs. Lapa read **Resolution # 16-37 Awarding Contract To LookFirst Technology, LLC For Technical Support And**

Maintenance Of Computer Hardware And Operating Systems. Motion was made by Mr. Sernotti, seconded by Mr. Theibault. On **voice vote**, all members present voted, "**Aye**". **Adopted.**

4. Resolution Authorizing the Signing of a Water and Wastewater Service Boundary Agreement with NJ American Water Company

The Authority has finalized the written agreement with New Jersey American Water Company regarding the Authority's service area boundaries. Mr. J. Flancbaum said it was reviewed and Mr. Smith reviewed it also. Some modifications were made and it was approved. It is based on the map that was presented a couple of months ago to the Commissioners. The only remaining item to be done is to draft written descriptions of the boundaries which will be Exhibit B to the agreement. Exhibit A is the map that was accepted. New Jersey American Water Company will be drafting the written descriptions. Mrs. Lapa read **Resolution # 16-38 Authorizing The Execution Of A Water And Sewer Service Boundary Agreement With New Jersey American Water Company.** Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted.** Senator Singer thanked Mr. J. Flancbaum for getting this underway. There are some people that think that they have a choice whether they can opt in or out of the Authority's service. The Authority has the right to take any place in town. There are no boundaries for the Authority. This agreement is being done to make it easier. That is why New Jersey American Water Company is willing to do this. Mr. Smith said that this is a historic agreement. Senator Singer said that the Authority has been having problems in the fringe areas. People thinking that they can go either way. That is not the case. This agreement makes it clear where the boundaries are and there are no more disputes.

5. Resolution Authorizing the Purchase of a 2016 Chevrolet Silverado

On January 26, 2016 there was a RFP opening for the purchase of a 2016 Chevy Silverado 4x4. One proposal was received from Pine Belt Chevrolet for \$25,258.01. The Authority would like to purchase that vehicle. Pine Belt said that it will be delivered in nine to ten weeks. Senator Singer said he will not participate in the resolution and vote. Senator Singer turned the gavel over to Mrs. Fish. Mrs. Lapa read **Resolution # 16-39 Authorizing The Purchase Of A 2016 Chevrolet Silverado.** Motion was made by Mr. Theibault, seconded by Mr. Sernotti. On a **roll call**, Mr. Theibault, Mr. S. Flancbaum, Mr. Sernotti and Mrs. Fish voted, "**Yes**". Senator Singer abstained. **Adopted.** Senator Singer explained that reason he did not participate is not because he has an interest in Pine Belt Chevrolet but Rob Sickel sits on the board of the bank where he works.

Mr. J. Flancbaum reminded the commissioners that next month's meeting will take place at 2:30 P.M. Also the Connection Fee Hearings will be held at the beginning of the meeting and right after the meeting will be the Elected Officials Training Seminar. This seminar usually takes about ten to fifteen minutes.

Senator Singer said he would like to comment on the pollution issue that the Commissioners were notified about. The pollution issue was a non-issue. Unfortunately there was a report on CBS News that mentioned a test that was conducted by the Brick Utilities Authority on water from the Metedeconk River. They were testing for a chemical that is not being asked to be tested for by the DEP and EPA. Traces were found in the Metedeconk that came through parts of Lakewood. The news report was not accurate and did not mention the fact that it did not mean that the water affected was

potable water or water being used by anybody in the surrounding towns. The Authority does not use surface water. The Authority strictly uses well water. The Authority's wells have tested negative for that chemical and there is no problem. Of course, the Authority did receive phone calls concerning this. Senator Singer asked Mr. J. Flancbaum to put on the website information to clarify this issue. This is an issue for Brick since they do use surface water. This is something they can deal with. These things unfortunately happen, but this chemical issue did not affect the Authority.

X. Instrumentation/IT Department Report

1. Resolution Awarding Contract for 2016 GIS Implementation to GTS Consultants

Mr. Farina has a resolution for a proposal from GTS Consultants for year two of the GIS implementation project. The proposal is for \$120,500.00 which includes data conversion, set up of ArcGIS, ongoing data compilation, training maintenance and tech support. Not included in this purchase is the ArcGIS license which will cost approximately \$6,300.00. This will be obtained separately. Also not included is server space. We are still weighing the pros and cons of cloud based server versus an in-house server. These costs have been budgeted as part of our ongoing GIS effort and we recommend approval at this time for contract award to GTS Consultants for \$120,500.00. Mrs. Lapa read **Resolution # 16-40 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 **voice vote**, all members present voted, "**Aye**". **Adopted.**

2. Shorrock Street SCADA Progress

Work continues to progress with respect to the completion of the SCADA conversions at the Shorrock Street Water Treatment Plant

3. Shorrock St. Large Pumps and Motors

The first set of Shorrock Street Water Treatment Plant high service pump/motor combination was repaired and rebuilt. It will be re-installed and put back into service today. The contractor will now remove the second pump/motor combo for preventative maintenance and rebuilding. As mentioned at a previous meeting, the pumps and motors are about ten years old and this is normal service. The original pump and motor had blown up and had this expedited this week.

4. Well #2 SCADA Update

The contracted integrator, ITS, Inc., is currently in the process of installing at the Well No. 2 ASR location the new GE RTU electronics subpanel, modifying the existing front panel controls along with associated debugging and testing. It should be completed by weeks end.

5. Well's 2 & 3 Radio/Antenna's

Due to the effects of the storm, the excavation for the Shorrock Street antenna tower will be held off until favorable climate and weather conditions return. We are currently reviewing the plans on the installation of radio and antennas for our Well No. 2 and Well No. 3 sites. Well No. 3 will be straight forward. We are planning to re-deploy the wood pole from Shorrock Street to this location once the pole is removed. That is the pole that is going to be replaced with a steel tower. Well No. 2 is more involved as we have to excavate from the well house in order to run the fiber optic cable, then up an approximately a fourteen foot mast across Buckingham Drive at the lake. This needs to

be done so we can be in sight for the antenna to have line of sight to the Airport Road Tower. This will enable it to communicate back to New Hampshire Avenue.

6. Ammonia Analytical Instrumentation

An ammonia analyzer installed at our Shorrock Street Water Treatment Plant is scheduled for a demonstration tomorrow. The plan is to see whether or not this instrument can offer sufficient data that will be beneficial in assisting the Operations Department in treating and dealing with the ammonia issues. The plan is to test the unit for thirty to sixty days or longer if the vendor can provide. Senator Singer questioned how much does this unit cost. Mr. Farina said it is quite expensive. The cost can be between \$12,000.00 to \$15,000.00.

IT Status Report

7. AEA Report

The AEA IT Committee will be holding an IT Workshop called "Making the Most of the Cloud Solutions" on February 19, 2016. The Authority's IT coordinator, Mr. McBride, will be making a presentation explaining our success with our eMaint System and our Negotiating Cloud Agreements.

8. IT Phone Service Vendor Agreement

The Authority's prospective Avaya telephone system maintenance provider, Recent Communication, LLC, has submitted their proposed Service Agreement. It appears to be reasonable. Mr. J. Flancabaum, Mr. McBride and I will meet early this month. We will ask the vendor for references and then layout what we are looking for and propose adjustments to the agreement.

9. Vehicle GPS Update

The attorney review has been completed for the GPS Tracking and Fleet Management Software. There are a couple of things that need clarification. However, we are certain that those points will be worked out. So I am looking for us sign all the paperwork and be up and running by mid-February. At that time all the Authority fleet vehicles will be trackable. We will be able to know where they are, what speed etc.

10. GIS Update and Resolution

The GIS implementation is in progress and ongoing. The data base portion of the project is seventy percent complete. We are at the beginning of IT development phase, the Geodatabase, block and lot numbers, water line, pipe and diameter, as-built plans etc. We are in the process of setting up a server for which their data base can sit on. A decision has been made to host the database in house. This is in progress. The Authority is now prepared to purchase the ArcGIS (AGOL) Subscription Functions. This is the licensing that will enable the Operations Department to start using it and getting familiar with it. The eventual goal is the doing away with the paper maps.

11. HR Software Update

TimeOut, the HR Software and Payroll HRMS (Human Resource Management System) project is at fifty percent. We are working with Implementation Support Services. Mr. McBride is working with the CFO on the project. The negotiations are complete and the paperwork has been signed.

12. Computerized Maintenance Management Update

The eMaint Project is in progress and ongoing. Supervisors and the IT coordinator will be attending additional training in March in the Philadelphia area. They will get some hands on training. It is ninety nine percent complete. We are working with Emaint developers and with the new Account Manager putting together the TASKs, Assets and parts that will be migrated into the database. We are working with the vendor to make adjustments in the program to produce automated reports and email workflow. We are now preparing for official user training. The Operators have been using the system and are experiencing increased confidence and dependency on it. As a result of this program, we are getting rid of a lot of paperwork.

Our IT coordinator and SCADA Integrator have had a detailed planning meeting with the radio contractor LTW with regards to the networks IP address changeover. A formal plan was developed on how to execute this. From this point forward it will just be a matter of time as to when this project shall commence. It is very critical that this is done right, if wrong it can virtually shut down all the systems. We have asked the contractor to be patient and when we feel the time is right, which is more than likely be in the down season in the Fall we will have all the IP addresses will be changed.

13. Site Security Update

The Site Security Implementation is in progress and ongoing. All of the Authority personnel have now achieved a reasonable confidence level in habitually changing their PC passwords every 61 days. Our department has experienced the same successes with regards to changing the security alarm passwords every 6 months or if someone has left the organization. We are continuing to work closely with our new security vendor, Reliable Safety Systems, Inc. on completing our field security implementation goals. All security passcodes have been changed in all locations. Ninety six percent of all the monitoring has been converted to the new fire and security monitoring company. New Hampshire Avenue and Shorrock Street Plant locations are all now being monitored for fire and security per State and Local Requirements. The contracts with Reliable Safety Systems are in attorney review. Adjustments to the agreement are being worked on. It should be done by month's end.

Senator Singer asked what the status is with the takeover of the old SCADA System. Mr. Farina said that the Authority is coming to the very end. As we speak, they are wiring in the last critical points to the system in the Shorrock Street Water Treatment Plant. Senator Singer asked about the status of the SCADA consultant. Mr. Farina said the consultant is just about done and we are thinking about to keep him on for another few months. Senator Singer said it is not a problem. He wants to make sure that everyone including the other vendors understands it. Mr. Farina said yes. Senator Singer said it is a priority factor and he appreciates all the work done. He knows it was a lot of work but it was critical.

XI. Commissioners' Report

Senator Singer asked for an update with the solar panel installation. Mr. J. Flancbaum said that just yesterday the Authority received a fully executed agreement. A conference call with T&M Associates is set up for tomorrow morning to discuss the next steps. Hopefully we will be finalizing a site plan within the next few weeks. A courtesy review will be done before the Planning Board. Then it will get started. Senator Singer asked if it can be pushed along fairly fast and have it operational by the summer. Try to get a

time frame and get the applications in. The Township may let you file early and then back fill it, hold the slot and get it done. Senator Singer asked Mr. Smith if he can take care of this. Mr. Smith said he will.

Senator Singer said he is having problems making a left turn into the Authority's facility. It is impossible. Can we ask the County to look into the traffic light system? How do the employees get in? Secondly, you are head on facing the other people making a left hand turn into Quick Chek. It is a very bad situation and a hazard. The left hand turn into Quick Chek is beyond belief. Mr. J. Flancbaum said that there will be another traffic light down the street by America Avenue, but it still will be horrible. Senator Singer asked the two engineers if it makes sense that the turn into Quick Chek is right opposite our turn. Mr. Morrill said no. Senator Singer said at some point you are blocked and cannot see anything. Mr. J. Flancbaum said that after hours when you are trying to make a left out of the parking lot it is very bad. Senator Singer said the Authority engineers should contact the County engineers to have them take a look at this situation. The Authority is a very busy operation. Also, in a short period of time the office building is going to be open. Senator Singer said he went to that site today and there is not enough parking there. Senator Singer said a sign should be posted that they cannot park in the Authority parking lot. Mr. J. Flancbaum said he has a sign for the Authority's parking lot. Senator Singer said that something has to be figured out.

XII. MEETING OPEN TO THE PUBLIC

There was no response from the public.

XIII. MEETING CLOSED TO THE PUBLIC

Senator Singer thanked the commissioners for allowing him to serve with them. He thanked Mrs. Fish, Mr. Waxman and Mr. Coles for being part of the team. He also thanked Mrs. Lapa for being a wonderful secretary and doing a great job and appreciates the entire staff. Please let them know that we are looking forward to another good year.

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 2:53 P.M.

Respectfully submitted,

Nechama Lapa,
Secretary, LTMUA