



Board of Commissioners
Senator Robert Singer, Chairman
Mayor Raymond Coles, Vice Chairman
Craig Theibault, Treasurer
Anne Fish, Assistant Secretary
P. G. Waxman, Commissioner
Samuel Flanbaum, Alt. Commissioner
Meir Lichtenstein, Alt. Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

August 6, 2019

- 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 19, 2019 and The Tri Town News on February 20, 2019.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On roll call the following Commissioners were present: Mr. S. Flanbaum, Mr. Theibault, Mayor Coles, Mr. Waxman and Senator Singer. Mr. S. Flanbaum was seated as an alternate. The following professionals and key personnel were present: Mr. Adam Pfeffer, Esq., Mr. Gerwin Bauer, Auditor, Mr. Justin Flanbaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Colin Farrell, CEng MIEI, Director of Engineering, Mr. Adam Ponsi, P. E., Mr. Robert Farina, Director of Operations and Mrs. Nechama Lapa, Secretary.
- V. **Minutes**
A **motion** to approve the minutes of the Regular Meeting held on July 2, 2019, was made by Mr. Waxman and seconded by Mr. Theibault. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**
- VI. **Chief Financial Officer Report**
 1. **Financial Results Review For Period Ending July 31, 2019**
The Authorities net position for the period ending July 31, 2019 is approximately \$2.2 Million. This is approximately \$183,000.00 ahead of the budget. The Authority's operating revenue is approximately \$8.2 Million. This is approximately \$222,000.00 ahead of the budget. This is being driven by the water service increases and efficiencies in the automated billing system. There are also non-recurring connection fees. In July there was a cell tower lease agreement with a one-time fee of \$20,000.00. The Authorities expenses are approximately \$6 Million and they are slightly over budget.

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This is being driven mainly by engineering costs to satisfy ongoing water allocation requests from the DEP.

2. Motion to Approve Operating Vouchers

Mr. Rappoccio provided the commissioners with a list of abstentions. There is one additional item to the vouchers in the amount of \$21,154.50 for the Authority attorney. This covers four months of invoices. The amended amount for the Operating Expense Vouchers is \$1,298,817.70. A **motion** to approve operating vouchers in the amount of \$1,298,817.70 was made by Mr. Waxman, seconded by Mayor Coles. On **roll call**, all members present voted, "Yes" with **noted abstentions**. **Motion Carried.**

VII. Engineer's Report

Mr. Ponsi's Report

1. Update of Rules and Regulations

- Motion Approving Addendum No. 33

This is the update that was carried from the previous meeting. The applicant that had the pavement in the easement, no longer has pavement in the easement for the residential units. At this time the Authority may approve Addendum No. 33 to the Rules and Regulations to update requirements for Authority Easements. A **motion** to update the Rules and Regulations was made by Mayor Coles, seconded by Mr. Theibault. On **roll call**, all members present voted "**Yes**". **Adopted.**

2. Locust Street Center (Locust Equities, LLC – Joseph Kaufman)

- Resolution Authorizing Executive Director to Endorse Applications

There was a change of use from retail office to a grocery store, nursery school and retail spaces. Due to the change of use, the complex is generating over 2,000 gallons per day. At this time the Authority may pass a resolution for the project conditioned on the GTS letter dated July 29, 2019 in order for the Executive Director to endorse the applicant's OCUA application. Mr. Waxman said for the record he will not be voting on this. Mrs. Lapa read **Resolution No. 19-69 Authorizing Executive Director To Endorse Applications Locust Street Sports Center**. Motion was made by Mayor Coles, seconded by Mr. S. Flancbaum. On a **roll call**, Mr. S. Flancbaum, Mr. Theibault, Mayor Coles, and Senator Singer voted "**Yes**". Mr. Waxman abstained. **Adopted.**

3. Hampton Inn Hotel (89B Hospitality Associates – Ketan Mehta)

- Resolution Authorizing Executive Director to Endorse Applications

This is a proposed 79 room hotel. Due to the development generating over 2,000 gallons per day in use. The Authority may pass a resolution for the Executive Director to endorse the OCUA application. Senator Singer asked who the applicant is. Mr. Ponsi said the applicant is Ketan Mehta. Mrs. Lapa read **Resolution No. 19-70 Authorizing Executive Director To Endorse Applications Hampton Inn Hotel**. Motion was made by Mr. S. Flancbaum, seconded by Mr. Waxman. On **roll call**, all members present voted "**Yes**". **Adopted.**

4. Spruce Street School and Dormitory (Congregation Nachlas Yisroel, Inc. – Rabbi Rachmiel Ungarischer)

- Resolution Releasing Performance Guarantees

This is an old project. They have done a water main extension down East Spruce Street. The Authority has asked them to request release. On July 12, 2019 the Authority received a request from the applicant to release the performance guarantees. On August 2, 2019 the Authority issued a letter detailing the conditions required for the performance guarantees to be released. At this time the Authority may release the

performance guarantees held for the Spruce Street School and Dormitory. Mrs. Lapa read **Resolution No. 19-71 Releasing Performance Guarantees Spruce Street School and Dormitory**. Motion was made by Mr. Waxman, seconded by Mayor Coles. On a **voice vote**, all members present voted “**Aye**”. **Adopted**.

5. Pine Street School (Congregation Talmud Torah, Inc. – Mordechai Berenfeld & Abe Auerbach)

Resolution Approving Terms of Developer’s Agreement

Originally the Developer’s Agreement was approved in May 2019. However the applicant requested a change in some of the terms. They want to relocate proposed connection point from Pine Street to Oberlin Avenue. Based on their proposed request, the Authority modified the terms of the agreement to modify the amount of the fair share contribution depending on where and when they connect to the Authority’s sewer main extension. Mr. Waxman asked why it would make a difference. Mr. Ponsi said that they are connecting into more of the extension. Right now they are proposing to connect before the extension takes place and if they connect further down the road they will be using more of the line that the Authority will be extending. Mr. J. Flancabaum said that this gives them more options. At this time the Authority may accept the terms of the Developer’s Agreement. Mrs. Lapa read **Resolution No. 19-72 Authorizing The Execution Of The Developer’s Agreement Pine Street School**. Motion was made by Mr. Waxman, seconded by Mayor Coles. On **roll call**, Mr. S. Flancabaum, Mayor Coles, Mr. Waxman and Senator Singer voted “**Yes**”. Mr. Theibault abstained. **Adopted**.

6. Lanes Mill Road School No. 3 (Yeshiva Toras Yisroel – Pinchus Stern & Abe Auerbach & Rabbi Dovid Rosenbaum)

Resolution Approving Terms of Developer’s Agreement

On July 9, 2019 a meeting was held at the Authority to discuss terms for the Developer’s Agreement. The only additional term is that the developer will pay a fair share contribution necessary for a previous developer who extended the sewer main in Lanes Mill Road. At this time the Authority may accept the terms of the Developer’s Agreements as described. Mrs. Lapa read **Resolution No. 19-73 Authorizing The Execution Of The Developer’s Agreement Lanes Mill Road School No. 3**. Motion was made by Mr. Waxman, seconded by Mr S. Flancabaum. On **roll call**, Mr. S. Flancabaum, Mayor Coles, Mr. Waxman and Senator Singer voted “**Yes**”. Mr. Theibault abstained. **Adopted**.

Mr. Farrell’s Report

7. Admin Building Renovation and Expansion (Addition)

Resolution Awarding Change Order No. 3

The Authority received change order request no. 3 from Bismark Construction for the installation of fire rated plywood to the exterior framing of the building for securing the flatlock siding in the amount of \$15,626.24. At this time the Authority may award change order no. 3 to Bismark Construction in the amount of \$15,626.24 for the installation of the plywood to the exterior framing of the building. Senator Singer questioned why it was changed. Mr. Farrell said the plywood was needed to make it a more robust siding. Senator Singer asked why the architect did not have this in. Mr. J. Flancabaum said the architect put in the specs a certain siding. The contractor that is doing the work suggested a more robust type of siding for the exterior façade. The architect agreed it is a better product, a better way to go. Mrs. Lapa read **Resolution No. 19-74 Authorizing Change Order No. 3 Administration Building Renovation And Expansion**. Motion was made by Mayor Coles, seconded by Mr. S. Flancabaum. On **roll call**, all members present voted “**Yes**”. **Adopted**.

8. County Intersection Improvements Locust Street & Vermont Avenue

Resolution Awarding Professional Services Contract

Ocean County has informed the Authority of improvements they intend to make at the intersection of Locust Street and Vermont Avenue. Due to the County improvements the Authority has asked Owen, Little and Associates to provide the Authority with engineering plans and profiles for the Authority's water main to accommodate the County drainage improvements in the amount of \$12,000.00. At this time the Authority may award a contract to Owen, Little & Associates for preparing engineering plans and profiles in the amount of \$12,000.00. Mrs. Lapa read **Resolution No. 19-75 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1 Et. Seq.** Motion was made by Mr. Waxman, seconded by Mayor Coles. On a **voice vote**, all members present voted "**Aye**". **Adopted.**

9. Bulk Purchase Agreement NJAW

Resolution Awarding Professional Services Contract

The Authority received a proposal from Maser Consulting for the engineering survey, design, bid and construction services for the water main extension on Chestnut Street from Vermont Avenue to the proposed interconnection location with New Jersey American Water Company in the cost not to exceed amount of \$51,200.00. At this time the Authority may award a contract to Maser Consulting in the cost not to exceed amount of \$51,200.00. Mr. Waxman questioned if the interconnect is not in place. Senator Singer said the Authority has a small interconnect, not big enough to take care of the amount needed. Mrs. Lapa read **Resolution No. 19-76 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1 Et. Seq.** Motion was made by Mayor Coles, seconded by Mr. S. Flancbaum. On a **voice vote**, all members present voted "**Aye**". **Adopted.**

10. Conversion of New Hampshire Treatment Plant Chlorine System

Resolution Awarding Professional Services Contract

The Authority operation's department has noted a multitude of issues, both in cost and maintenance with the current chlorine system installed at the New Hampshire Water Treatment Plant and has requested that the chlorine system be changed to match the Authority's chlorine system currently at the Shorrock Street Water Treatment Plant. The Authority received a proposal from Remington Vernick for engineering design, bid and construction services for converting the chlorine system at the New Hampshire Water Treatment Plant in the amount of \$41,050.00. At this time the Authority may award a professional services contract to Remington Vernick in the amount of \$41,050.00. Mrs. Lapa read **Resolution No. 19-77 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1 Et. Seq.** Motion was made by Mr. Waxman, seconded by Mr. Theibault. On a **voice vote**, all members present voted "**Aye**". **Adopted.**

VIII. Attorney's Report

Mr. Pfeffer said that there has previously been a closed session regarding a former employee, Daniel Briody, regarding a litigation matter. It has been settled and closed out.

As discussed a few months ago, the Authority is in the process of calling in a bond for Tiferes Chaim, headed by Rabbi Perlstein, at 924 New Hampshire Avenue. They have gone completely dark. Previously their bond company was put on notice and we gave the bond company all the information. They started to contact us but stopped again. So the process is being started again. Mr. Pfeffer spoke with the bond company's counsel

yesterday. He said he is in the dark as well and no one is responding to him. He asked for a few days to get the paperwork together. The bond counsel said he understands what is happening. Senator Singer asked how much the bond is. Mr. J. Flancbaum said approximately \$160,000.00. Senator Singer asked if the building is in operation. Mr. J. Flancbaum said yes. Mr. Pfeffer said he wanted to put the commissioners on notice in case they get a phone call. Senator Singer said if they make a call, tell them at the next public meeting they will have to make a presentation why we should not be calling in the bond. Mr. Pfeffer said that this time we are proceeding and really calling in the bond.

Mr. Pfeffer said a closed discussion is not needed for Mallen. A lot of discovery has been done. There will be a meeting this afternoon. He should more to report at next month's meeting.

IX. Executive Director's Report

1. Lead and Copper Test Results

The Authority conducted the triennial lead and copper testing at the end of June. The Authority is required by Federal law to test it every three years. Tap water was tested in thirty residences and results were either non-detects or well below the Federal action level. All thirty residents were notified of their results in compliance with the regulations. They were sent via regular and certified return receipt mail. In the case of landlord / tenant properties the owners were notified as well by regular and certified return receipt mail.

2. Resolution awarding contract for the replacement of three pumps for the lime tanks at the Shorrock St treatment plant

A proposal opening was conducted on August 2, 2019. Two proposals were received. The low proposal was from Environmental Service and Equipment Co. for \$18,038.00. The proposal was reviewed and it is in compliance with the Authority's specifications. We are recommending award to Environmental Service & Equipment Co. Mrs. Lapa read **Resolution No. 19-78 Awarding A Contract To Environmental Services And Equipment Company, Inc.** Motion was made by Mr. Theibault, seconded by Mayor Coles. On a **voice vote**, all members present voted "**Aye**". **Adopted.**

3. Resolution authorizing a shared services agreement with the County of Ocean

Mr. Farrell reported earlier regarding the proposed improvements by Ocean County at the intersection of Locust Street and Vermont Avenue. We would like to enter into a shared services agreement with Ocean County. The Authority will design the work. But we feel the best way to get this done is to include our specifications with the County's bid and have their contractor do the water main work. We will, however, have our inspector on the job to make sure that the work is done in accordance with our rules and regulations. Mrs. Lapa read **Resolution No. 19-79 Authorizing The Execution Of A Shared Services Agreement With The County Of Ocean.** Motion was made by Mayor Coles, seconded by Mr. S. Flancbaum. On a **voice vote**, all members present voted "**Aye**". **Adopted.**

4. Reverse auction results

As discussed at last month's meeting, a reverse auction was held this past Friday for energy supply at the New Hampshire Avenue facility for those times that we are not operating on solar. More bids were received than expected being that we are a low user. The low bid was from Ambit Energy at 8.99 cents per kilowatt hour, for a twelve month contract, for an estimated annual saving of approximately \$1,650.00 or about

4.41%. We currently use about \$37,000.00 per year from the grid for this facility. We executed the contract on Friday. This is locked in for the year.

Senator Singer said he has been speaking with the staff about increasing the amount of employee training in many areas, for example with cyber security. Just sending out emails expecting all employees will read them is not good enough. There will be quarterly meetings to remind them and also reviewing all procedures and safety factors with the plants. We are looking to bringing in companies to speak to the employees and show videos etc. The Authority is getting larger and we have to pre-empt errors and mistakes being made. The best way to do it is to have a set amount of requirements in place. Senator Singer he works for a bank and there are eight courses he has to take each year. This is becoming more prevalent. Mr. J. Flancbaum, Mr. Farina and Mr. Robbins are involved and working on this.

Senator Singer said that Mr. McBride has written an excellent article on cyber security in the AEA newsletter. Please thank him. It is always nice when our people are noted.

X. Technical Operations Report

Field Operations Report:

1. Shorrock Street Water Treatment Plant High Service pump repairs

Our mechanics completely rebuilt the two check valves on both of the high service pumps at the Shorrock Street Water Treatment Plant that had failed on us resulting in saving the authority between \$9,000.00 and \$15,000.00 in replacement costs. An outside contractor would have not chosen to rebuild the unit because of some machining work and custom gaskets that had to be made in order to end up with a successful rebuild.

2. Shorrock Street Lime system upgrade status

Our lime rehab project is progressing as we await the delivery of the lime pumps which needed to satisfy an Request For Proposal requirement prior to purchase. Once they are in they will be installed and the lime room will be 100% rehabilitated.

3. Vehicle Fleet status

Our newest pickup truck is now officially in service.

Technical Operations:

4. Operational controls status

All SCADA and control systems are up and running well. Tomorrow we are scheduled to have our SCADA outside contractor on site to perform some work on the system. They will also test and verify that critical automatic plant shutdown systems continue to function properly.

IT Department:

5. Written article

Mr. McBride wrote an article on third party vendor cyber security providers for the AEA upcoming newsletter.

6. In-house cyber-security training

Mr. McBride will also be conducting an in house employee cyber security and email exposure training session. This will include a ten minute video which all employees will acknowledge by signing upon completion of viewing. The email audit will identify at risk users in our organization.

7. Server upgrades status

Mr. McBride is preparing for Exchange and 2019 Server upgrades this month.

8. New Server space

Mr. McBride, Mr. Farrell, and I created a five foot by ten foot room on the second level of the Southeast corner of the new addition to the Administration building in order to facilitate an additional server room space.

GIS Department:

9. Engineering and Operations Dept. assistance

Mr. McClain continues to work with Engineering and Operations on mapping upgrades and additions and providing assistance with tablet implementation for the operators. The tablets seem to be working very well for the Authority. Slowly we are taking away paper and using the tablet, We are on the way to paperless.

10. Developing improved accuracy mapping

Mr. McClain is assisting in an effort with our Engineering consultant, GTS, our Engineering Department and Operations Department in developing more accurate as-built water and sewer infrastructure mapping for the apartment villages located just off New Hampshire Avenue right behind the new Subaru dealership. There was a main break there and we found out the hard way that certain things were not where we thought they were. That is being addressed.

XI. Commissioners' Report

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

XIV. ADJOURNMENT

A **motion** was made by Mr. Waxman, seconded by Mayor Coles to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:27 A.M.

Respectfully submitted,

Nechama Lapa,
Secretary, LTMUA