



Board of Commissioners

Senator Robert Singer, Chairman

Raymond Coles, Commissioner

Anne Fish, Treasurer

Samuel Flancbaum, Assistant Secretary

Michael Sernotti, Commissioner

Craig Theibault, Alt. Commissioner

P. G. Waxman, Vice Chairman

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

January 5, 2015

- I. Senator Singer opened the meeting at 3:01 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 7, 2014 and The Tri Town News on February 12, 2014.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancbaum, Mr. Sernotti, Mr. Coles, Mr. Waxman, and Senator Singer. Mr. S. Flancbaum was seated as an alternate. The following professionals and key personnel were present: Mr. Norman Smith, Esq., Mr. Gerwin Bauer, Auditor, Mr. Justin Flancbaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Paul Morrill, P. E., Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation Department Supervisor.
- V. **Minutes**
A **motion** to approve the minutes of the Regular Meeting held on December 9, 2014, was made by Mr. Coles and seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Motion carried.**
- VI. **Chief Financial Officer Report**
Financial Results Period Ending December 31, 2014 –
Mr. Rappoccio is presenting the December 31, 2014 results compared to the December 31, 2014 budget. The Authority's net position is slightly behind the budget as of December 31, 2014. The revenue is behind budget mainly driven by lower residential and commercial service fees. That is being slightly offset by higher connection fees continuing. There was \$23,000 of non-recurring connection fees. Expenses are slightly

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ahead of the budget. That is mainly driven by salary. In December the Authority had sick leave buy back. In December the OCUA and water purchase was slightly lower. This offset the higher expense. The net position of the Authority is slightly behind the budget for December. Senator Singer asked approximately how much is that? Mr. Rappoccio said combined it is \$58,000.

VII. Accountant's Report

Mr. Bauer reported that the Audit is going very well. Mr. Bauer said that he has been in contact with the Infrastructure Trust. The Authority received a letter that there were extra funds leftover from the 2008 financing. According to Authority documents filed, it was fully expended. It is apparent that there is interest that was earned on this account, approximately \$34,000. That is going to be used at the tail end of the bonds to reduce the last payment, after paperwork and verification is received from them, Mr. Bauer said he will reduce the liability on the books and record interest income. Senator Singer asked if the budget will be made up in the next few months or is there any concern with being behind on the budget. Mr. Bauer said that it should be okay in the next few months. Also, the additional connection fees will also help. Senator Singer said also now there are additional customers online and some past due monies were captured.

A **motion** to accept the CFO and Auditor reports, was made by Mr. Coles and seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Motion carried.**

Engineer's Report

1. Bid for Chemicals and Cold Water Meters for Calendar Year 2015-2016

- Resolution Awarding Contract for the Purchase of Dry Calcium Hypochlorite Briquettes
On December 17, 2014 new bids were received for Dry Calcium Hypochlorite. J.P. Jager and Associates was the lowest and only bidder for a two year contract of \$133,267.20. Senator Singer asked if we are going with the two year because it is lower than the one year. Mr. Morrill said that the two year is slightly higher but it stabilizes the price. The one year cost is \$2,857.44 per pallet and the two year cost is \$3,028.80 per pallet. But it stabilizes the prices and the Authority will not have to go out to bid again next year. The difference is approximately \$175 more per pallet. Senator Singer asked what the increase from last year per pallet is. Mr. Morrill said he does not know that. Senator Singer said it should be looked up. He would like to know what the percentage increase is over last year. If the increase from last year to this year is greater than the proposed one year contract over the two year contract then it makes sense to award the two year contract. If the increase was not that much, then why not take the lower price for a one year contract. Mr. Waxman agreed with Senator Singer. Senator Singer said that we will come back to this item later.

Mrs. Fish arrived at 3:07 P.M.

2. Cell Antennas

- Resolution Awarding Professional Services Contract
This contract is being awarded to Remington Vernick in the amount of \$2,750.00 for the inspection of modifications to the Verizon equipment. This is going to be paid back by Verizon. Mrs. Fish is seated and Mr. Flancbaum is no longer seated. Mrs. Lapa read **Resolution # 15-01 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 Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**".
Adopted.

3. Sanitary Sewer Repairs 2015

Resolution Awarding Professional Services Contract

Some areas of sanitary sewer were identified as needing to be upgraded or repaired. The Authority has a proposal from CME for design and bidding services. This is not construction observation services. That will be looked into at a later date. The amount of the contract is \$13,500.00. As part of this the Authority asked that they prepare standard specifications for repairs of the sanitary sewer. So that next year, when new areas are identified we can use the same standard specifications, put in the new details for the areas and go forward with getting those repairs done. Mrs. Lapa read **Resolution # 15-02 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 Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

4. Shorrock Street Water Treatment Plant Filter Change

Resolution Awarding Professional Services Contract

This item has two parts. One is a resolution to award a professional services contract to Hatch Mott MacDonald for design, bidding and construction services, not only for the change of the filter media but also for the modification and change from liquid chlorine to pellet chlorine. Mr. Waxman asked what the cost is. Mr. Morrill said the cost is \$86,000.00 for the design, bidding and construction services. Senator Singer said to keep in mind that now the Authority is bringing the older plant up to the quality of the newer plant because of the deterioration of the aquifer. This was brought about by the water quality issue. Mr. Morrill said this new material will allow the Authority to eliminate two of the chemicals that are being used at the present time. The two chemicals are sodium aluminate and potassium permanganate. It also increases the capacity of the filters from three gallons per minute to 5.5 gallons per minute. This will increase the capacity of the plant. Senator Singer said in general, the fewer chemicals the better. Mr. Morrill said that the way this contract is set up, the Authority is going to bid for the change in the filter media for this year so that it can be done in next winter. Then the following winter the changes of the chlorine system will be done. The permitting will all be done at the same time so the Authority has to go to the New Jersey DEP one time. Senator Singer said it will be easier to operate if there is one system for both plants. Mrs. Lapa read **Resolution # 15-03 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 Mr. Waxman. Senator Singer said Hatch Mott MacDonald did the plant over here on New Hampshire Avenue therefore it makes sense to have them do the second plant. On a **voice vote**, all members present voted, "**Aye**".
Adopted.

5. Quick Chek Cedar Bridge Avenue

Resolution Accepting Terms of Developer's Agreement

The agreement was signed on November 24, 2014 and Mr. Morrill would like the commissioners permission to accept the terms of the agreement. Senator Singer asked Mr. Smith if he is okay with the terms. Mr. Smith said yes. Mrs. Lapa read **Resolution # 15-04 Accepting Terms Of The Developer's Agreement Quick Chek Cedar Bridge**

Avenue. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

6. New Hampshire Ave and America Ave Office's

- Resolution Accepting Terms of Developer's Agreement

This is for an office building. The Schedule B was sent to the commissioners and the details for the agreement are in the engineers report. Senator Singer asked Mr. Smith if he is okay with it. Mr. Smith said yes. Mrs. Lapa read **Resolution # 15-05 Authorizing The Execution Of The Developer's Agreement New Hampshire Avenue and America Avenue Office Building.** Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

7. Repair and Replacement of Sanitary Sewer on Redondo Lane Phase II

- Resolution Approving Final Payment and Releasing the Retainage and Performance Guarantee

Mr. Flancbaum said that this is conditioned upon the posting of the Maintenance Guarantee. Mrs. Lapa read **Resolution # 15-06 Release Of Performance Guarantee Retainage And Final Payment Redondo Lane Sanitary Sewer Phase II.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Mr. Flancbaum said that he has the information on the pricing of the Dry Calcium Hypochlorite Briquettes. The price that was discussed earlier was per pallet. The price per pail is going up \$7.00 per pail with the two year contract. With the one year contract, the price per pail is decreasing \$.59. This year, the Authority is paying \$119.67. If we lock in for a two year price, the price would be \$126.20, whereas if the Authority goes with a one year, the price per pail goes down \$.59. Mr. Morrill said that last year the price per pail was \$119.67. If the Authority goes with a one year contract, the price will be \$119.06. If the Authority goes with a two year contract, the price per pail will be \$126.20. Senator Singer asked why should we be going with a two year. Mr. Ponsi said that over the coming year, the Authority will be increasing the use of this chemical. Next year if the Authority goes out to bid, the price can go to \$135.00 per pail. Senator Singer asked why are we assuming that. Why should we pay more this year than we have to pay? Mr. Waxman said he agrees with Senator Singer. In particular, since the volume is so much greater, we should get a lower price. Senator Singer said he understands it is a risk and you want to lock in. But the price is going down, how can we not take advantage of the one year contract. Mrs. Lapa read **Resolution # 15-07 Awarding Contract For Dry Calcium Hypochlorite Briquettes To Lowest Bidder.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

VIII. Attorney's Report

New Jersey Business Systems - Mr. Smith said that the deposition period is beginning. They will be starting next week. The depositions that he will be taking are the employees of New Jersey Business Systems. It was supposed to start this week, tomorrow and Thursday, but a three way telephone conference was held with Judge Daniels, the judge that is running the case in Superior Court, and in result of a lot of different considerations this week's depositions are being postponed. They will be starting next week. There are six depositions set up over the course of six days with six

employees. These are the key names that were given to him by Mr. Flancbaum, Mr. Morrill, Mr. Ponsi and the IT Department. These depositions will give a lot of information. When our depositions are done, New Jersey Business System will set up depositions for the Authority's staff. Mr. Smith said he has a scheduling order which looks to April for a possible status conference and mediation period. The depositions should be done by then.

Mr. Smith said he wanted to bring an item to the attention of the commissioners. Mr. Flancbaum had asked Mr. Smith to revise a Performance Bond form. In doing that, Mr. Smith said he mentioned to Mr. Flancbaum that there is such a thing as a Statutory Form of Bond that was created fairly recent, in the past five years by the legislature as being a uniform bond. It is not required or mandatory to use the uniform bond. The purpose of the statute was that if that form is presented, it has to be approved. The idea was to streamline the bond approval process. It is not necessary to use it so consequently, the bonding companies are simply using the forms that they have and are not changing to the statutory and the Authority cannot make them use it. Mr. Smith said he gave this information to Mr. Flancbaum. Mr. Flancbaum said that why don't we use the statutory form. Mr. Smith said that he looked at it and it has excellent language. Mr. Smith explained that it was drafted for Planning Boards and Boards of Adjustment under the Planning Act 4055D and not designed for Utilities Authorities. Mr. Smith said he did minor editing and changed Planning Boards to Utilities Authorities and changed Planning Board Statute to Planning Board Statute and the Utilities Act. Now we have all the proper language with the Utilities Authority referred and Utilities Authority statute referred to properly in there. The form is there if anyone would like to use it. As a matter of fact, just today the form was used for the first time for Cedarwood Hills. Mr. Flancbaum said that this standard form can be presented to developers and contractors. Mr. Morrill said this form can be sent out to our consultants and ask that it be included in all the specifications. Senator Singer said it sounds good and thanked Mr. Smith, Mr. Flancbaum and Mr. Morrill for this.

IX. Executive Director's Report

1. Resolution Awarding Contracts to Precision Analytical Services, Inc. and J.R. Henderson Labs, Inc. for laboratory testing for calendar year 2015

A Request For Proposal opening was held on December 18th, 2014. Two companies submitted proposals. One was Precision Analytical Services of Toms River. The Authority used their services last year. The second one was from JR Henderson Labs from Beachwood. The Authority has had positive experiences with both labs. Therefore, the Authority would like to award contracts to both. Precision should be number one because they are cheaper. JR Henderson will be number two as a backup. Mr. Flancbaum said he included a memo with the recommendations in the meeting packet. Mrs. Lapa read **Resolution # 15-08 Awarding Contract For Laboratory Testing Services**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

2. Resolution Awarding Contract for telephone system maintenance and support services for calendar year 2015

Mr. Flancbaum said he would like to table this item until next month. He is not ready to offer a formal recommendation for an award of contract. A **motion** to table this item was

made by Mr. Waxman and seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Motion carried.**

3. Solar Field Project-Status Update

T&M Associates is basically finished the feasibility study for the solar field. A formal report will be coming. They say that the Authority has enough space on the property to develop a solar field that will provide the entire complex with energy. The next step would be that T&M Associates will prepare a bid document. This project will be installed and maintained by a solar developer. There will not be any cost to the Authority except for the cost of the design. This could drastically reduce the Authority's energy prices for the next ten to fifteen years. This is very good news.

4. Closed Session-Personnel

X. Instrumentation/IT Department Report

1. New Hampshire Avenue Fire and Security System

The New Hampshire Avenue Fire and Security system has passed the electrical inspection and is pending the Fire inspection that is to take place this Wednesday morning. Immediately following the inspection, all applicable Authority personnel will receive training on the operation of the system. We have also come up with an alternate security code to our security system for the New Hampshire Avenue facility to be given to our new cleaning crew. This was done in the event of an issue with them or any contractor; we can quickly negate the code and prevent access to our facilities.

2. Radio/Antenna System New Install

With respect to the progress on the new radio/antenna system, Mr. Morrill and I have gone through all of the contractual questions and concerns that we had with the contractor LTW. All issues and concerns were addressed and answered to our satisfaction. The next step in the process before any work begins, is for the contractor to put together and schedule a "kickoff" meeting at our location where all of the contractors applicable personnel as well as all of the Authority's will meet, discuss and document a precise plan of how the project is going to be executed along with a time line.

3. Shorrock Street SCADA/Electrical Switchgear

We are continuing to experience progress with the Shorrock Street Water Treatment Plant SCADA equipment changeover. Once we have completed the electrical switchgear wiring modifications, I am going to have a contractor come in and perform preventative maintenance and cleaning of all said switchgear in the Water Treatment Plant which is approaching the ten year mark. Also, Wells No. 18, 9 and 10 which is even older. I am currently searching for contractors to perform this work. Along with the newly replaced VFD's and the rehabilitated and serviced electrical switchgear, the reliability and failure prevention will be restored to that of a new facility.

4. New Hampshire Avenue Complex Emergency Site Plan

Our department created a comprehensive and detailed visual site plan having to do with the New Hampshire Avenue Complex for use by our Township's emergency first responders should the need arise. Prior to its completion, the plan was reviewed by our Safety Coordinator, Operations Manager and Executive Director to insure no critical details was omitted. Mr. Flancbaum said that letters will be put on every building. If

there is an emergency, the fire and police departments will know where to go. Mr. Flancbaum said he spoke to the fire department about this. Mr. Farina and Mr. McGregor developed this great graphic design. It is going to be sent out to all emergency personnel. Senator Singer said that the Authority should be registered with the Hazmat of Berkeley because of the chemicals the Authority has in the facilities. Mr. Flancbaum said he will take care of it.

5. IT Service Agreements

The Authority's IT service agreement contracts for the phone system, CSI and Edmunds vendors are in the final approval state for the New Year with the exception of the phone contract that was tabled earlier.

XI. Commissioners' Report

Senator Singer said that the Authority purchased a new map printer that makes copies of plans. Senator Singer would like permission to offer the old one to the Township free of charge. The Township does not need to make as many copies as the Authority does. The Township Inspection Department or Engineering Department would benefit from it. A **motion** to offer the old map printer to the Township was made by Mr. Waxman and seconded by Mrs. Fish. On a **voice vote**, Mr. Sernotti, Mr. Waxman, Mrs. Fish and Senator Singer voted, "**Aye**". Mr. Coles abstained. **Motion carried.** Senator Singer said a called should be made to Mr. Saccamanno to see if he wants it and if he does then we can call the manager.

Senator Singer wanted to thank all the department heads and all the employees for an excellent year and looking forward to another great year. Senator Singer appreciates all that is done. Senator Singer said he gets compliments all over the place. The Authority is becoming the cutting edge MUA in the County and State.

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 Mr. Coles to approve the Operating Vouchers in the amended amount of \$518,261.47. The added items were from Bank of America Procurement Card, New Jersey Natural Gas, Norman Smith and T&M Associates. On a **voice vote**, all members present voted, "**Aye**". **Motion passed.**

XV. CLOSED SESSION

A **motion** was made by Mr. Sernotti, seconded by Mr. Coles to go into closed session to discuss personnel at 3:30 P.M. On a **voice vote**, all members present voted, "**Aye**". **Motion passed.**

XVI. OPEN SESSION

At 3:39 P.M. a **motion** was made by Mr. Waxman, seconded by Mrs. Fish for the meeting to go into open session. Personnel issues were discussed and they will be announced at a later date if any action will be taken.

XVII. 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 3:40 P.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA