



**Board of Commissioners**

*Senator Robert Singer, Chairman*

*Raymond Coles, Commissioner*

*Anne Fish, Treasurer*

*Samuel Flancaum, Assistant Secretary*

*Michael Sernotti, Commissioner*

*Craig Theibault, Alt. Commissioner*

*P. G. Waxman, Vice Chairman*

**THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**

**Regular Meeting Minutes**

**April 8, 2014**

- I. Senator Singer opened the meeting at 10:09A.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. S. Flancaum, Mr. Waxman, Mrs. Fish and Senator Singer. Mr. S. Flancaum was seated as an alternate. The following professionals and key personnel were present: Mr. Norman Smith, Esq., Mr. Gerwin Bauer, Auditor, Mr. Justin Flancaum, Executive Director, 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 March 4, 2014, was made by Mr. Waxman and seconded by Mrs. Fish. On **roll call**, Mr. S. Flancaum, Mr. Waxman and Senator Singer voted "**Yes**". Mrs. Fish abstained. **Motion carried.**
- VI. **Accountant's Report**  
Mr. Bauer emailed to the commissioners the final draft of the Audit. There was also a copy of Audit at the meeting. Mr. Bauer met with the sub-committee to review the Audit in detail. There were no findings. Everything was good. Mr. Bauer handed out to the commissioners the management letter for the year. Mr. Bauer had recommended hiring a CFO and that was already taken care of. Hiring the CFO will address a lot of issues going forward. Mr. Bauer has another recommendation. He recommends that once the

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new hires are done for 2014, the actuarial study in place for post-employment benefits should be updated for accurate contributions. Senator Singer said that Mr. Bauer should discuss this with the CFO. Senator Singer asked Mr. Rappoccio, the CFO, if in the future, not the next month or so, if he can present a report at the regular meeting. Mr. Bauer asked if the commissioners would like him to go into detail of the Audit. Senator Singer said the sub-committee, Mr. Theibault and himself, with Mr. Flancbaum met with Mr. Bauer to go over the details of the Audit. Senator Singer asked if anyone present has any questions of the report or want any details of the report discussed. No one had any questions. Mr. Bauer said that there is a resolution that needs to be passed and a group affidavit for the commissioners to sign. Mrs. Lapa read **Resolution # 14-43 Acceptance of 2013 Audit**. Motion was made by Mr. S. Flancbaum, seconded by Mr. Waxman. On **roll call**, all members present voted, "**Yes**".**Adopted**.

Mr. Bauer said that there is around \$1,000,000.00 as of the end of Audit still held in trust from the two 2012 Bond issues. Mr. Bauer spoke in detail with the Trust earlier this week. They informed Mr. Bauer what will happen if all the monies will not be expended on projects. Senator Singer said that a meeting should be held. Senator Singer said that the Authority should make sure that the projects that are funded are closed out. Senator Singer wants to be very clear that the Authority should not find out later that more money is needed to close out one of these projects. All the bills should be paid up to date. Then we should see if there is anything else within the realm that the Authority would want to do. Mr. Bauer said that the Fund portion of the loan, if it is not all utilized, is interest free. That pays off the back end of the payments. The Trust portion is a little bit more complicated. If it is under \$250,000.00, it is easier. It will be kept in Trust and it will pay our debt service payments going forward. If it is over \$250,000.00 they look at re-amortizing and redoing the whole bond issue. Senator Singer said the Authority should make sure all work for these projects has been completed and that all items are taken of. This has to be done as soon as possible. Senator Singer said that he is making it very clear on these projects; he does not want to come back and hear that a bill was not received. Notification may have to be sent to all vendors saying that the project is done and we are closing it out. Also, let's take a look if there is something else the Authority would want to do. Senator Singer said that now with the CFO, there will be a lot of management reports for the staff on a regular basis. It will be advantageous having a CFO. Mr. Bauer said that Mr. Rappoccio already reviewed the Audit and gave some ideas on it. He has been a great help already. Senator Singer said that is great and is very excited about it.

Mr. Flancbaum introduced Mr. Mohamed Bassyouni, the Authority's newly hired electrical technician. Mr. Bassyouni comes with a very strong electrical background and is now working with the Authority's integrator to teach him our PLC's and SCADA System. Senator Singer welcomed him aboard.

## **VII. Engineer's Report**

### **1. Locust Grove**

- Resolution Granting Conceptual Approval

Mr. Morrill said that this project is actually very old, it is from 2010. It has now been resurrected. The Authority has a review letter from GTS dated April 1, 2014. At this time Mr. Morrill feels that conceptual approval can be given for the project contingent on the April 1, 2014 letter. Mrs. Lapa read **Resolution # 14-44 On Site And Off Site**

**Water And Sanitary Sewer Extension Grant Of Conceptual Approval Locust Grove Subdivision LTMUA WO#030701.** Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**".**Adopted.**

**2. Cell Antennas – Airport Tank**

- Resolution Awarding Professional Services Contract

This is awarding a Professional Services Contract to Remington Vernick for inspection for cell antenna work on the Airport Road Tank. These are modifications to the existing two carriers, Verizon and Sprint. Plans were received from Sprint a while back. The plans from Verizon were received very recently. The contract is for \$8,000.00, \$4,000.00 for each carrier. The Authority received \$4,000.00 from Verizon and the Authority will wait for the \$4,000.00 from Sprint before the work can be done. Mrs. Lapa read **Resolution # 14-45 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1 Et. Seq.** Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**".**Adopted.**

**3. Water Allocation Diversion Permit**

- Resolution Awarding Change Order #1

On April 7, 2009 the Authority awarded a professional services contract to Hatch Mott MacDonald to make an application to the DEP to modify the Authority's Diversion Permit. It was ninety percent complete and the Authority decided that with the minor modification work that needed to be done to Wells No. 5 and 8 it was to be put on hold. For them to start up on the project there will be a lot of changes to the application, because a lot of work was done since 2009. Also, the prices have changed. Hatch Mott MacDonald would like an additional \$4,000.00 to complete the project. Mr. Morrill said that the price is reasonable. Mrs. Lapa read **Resolution # 14-46 Authorizing Change Order No. 1 Water Allocation Diversion Permit.** Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**".**Adopted.**

**4. Woodlake Sanitary Sewer Improvements Phase 1**

- Resolution Releasing Contribution to Developer

Mr. Morrill has been working on resolving the payment issues with the Developer on this project. There is going to be another one after this as well. The contractor submitted a request for payment for the automated message board that was used for this project. It was work done and they have receipts for it. The cost is reasonable. The total cost for this item was \$3,370.33 for two months. Mrs. Lapa read **Resolution # 14-47 Releasing Contribution To Developer Route 88 73 Lot Subdivison.** 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**

**New Jersey Business Systems Lawsuit**—Mr. Smith said that he retained the services of an expert witness. Mr. Smith located him through TASA, the primary source of expert witnesses for litigation for attorneys nationally. Mr. Smith has used TASA before. The expert witness is a winner. On a phone conversation, our IT personnel and Mr. Flancbaum peppered him with questions dealing specifically with the facts of our case. They gave him the go ahead. The standard rate schedule for TASA is \$255.00 per hour

plus expenses. Senator Singer said hopefully we will be able to settle this before. Mr. Smith said he will try to settle this.

## **IX. Executive Director's Report**

Mr. Flancbaum said that the first two items in the report are for proposals for large projects that will be ongoing. Mr. Flancbaum put the proposals up on the conference room screen so the Board can take a quick look and Mr. Flancbaum presented a brief synopsis on both proposals.

### **1. Resolution awarding contract to T&M Associates, Inc. for a sanitary sewer master plan report**

This is for an update to the Authority's Sewer Master Plan. The Authority's master plan is about ten years old. With the recent adoption of the Township's Smart Growth Plan, large portions of properties are now going to be slated for much higher density development than was previously anticipated. The Authority worked with T&M Associates to develop a plan in two phases.

The first phase will evaluate feasibility of diverting sewage flow from New Jersey American Water Company's pump station on Chestnut Street into our sewage system. This study will include an analysis of existing and projected flows from both our service area and their service area. It will also include a short and long term construction and maintenance costs. This phase will be completely paid for by New Jersey American Water Company. It was negotiated with them was that they will give us half the money up front and half the money as we go along. Phase One total will be \$46,640.00.

The second phase is going to be the master plan update for our service area. Phase two is broken down into six separate tasks. The first task will be to gather baseline data and service needs information. The second task is to prepare a conditions analysis. The proposal they gave the Authority is based on four weeks of metering and our infiltration into the system if any. We would like to get that work started right away. They have proposed \$60,000.00 for four weeks of metering. For each additional week thereafter will be \$8,332 per week. Mr. Flancbaum would like to get eight weeks of metering approved now. We are not sure yet if the Authority will actually use the full eight weeks. But this way the Authority will have a nice base of information to go by. Senator Singer asked Mr. Morrill if he recommends this. Mr. Morrill responded that he does recommend this. The third task will be for them to prepare a build out analysis. This will be based on the adopted Township Smart Growth Plan. The fourth task will be preparation of construction cost estimates, as far as there will be any improvements that will be needed on our end. The fifth task will be a master plan mapping update. The final task will be to update the master plan and to formally adopt it. The total for phase two is \$149,465.00. That includes the eight weeks of metering. Senator Singer asked if this will be prepared in a format that it will be able to go into the Authority's GIS. Mr. Flancbaum said that they will update our mapping. We have a separate proposal from a different firm to update our GIS system. The maps are going to be GIS ready so to speak. Senator Singer asked Mr. Morrill if this is what we want done. Mr. Morrill said yes. We should be able to take what we get and transfer it directly. Senator Singer said he would like to make sure that it is in the contract. He does not want to find out later that it is not GIS ready because it was not spelled out in the contract. If we have to go back to them

afterwards, it will cost money. Senator Singer asked Mr. Smith to make sure when he looks at the contract that it states that the maps will be GIS ready. Senator Singer asked Mr. Flancbaum how much the Authority needs to approve now. Mr. Flancbaum said \$157,465.00. Senator Singer said it should be understood that some of the money may not be spent depending on the duration of the metering. Mrs. Lapa read **Resolution # 14-48 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. S. Flancbaum. On **roll call**, all members present voted, "**Yes**". **Adopted.**

## **2. Resolution awarding contract to GTS Consultants for GIS implementation and field operations**

Over the last several years the Authority has worked with GTS Consultants and compiled a lot of GIS data for many of the Authority's assets. The next step is to develop a process to actually deploy the system into the field and to get it into our daily operations. Senator Singer explained that it will be set up that the field employees can access GIS on the spot. Senator Singer asked what type of equipment will be used, a hand held or a laptop? Mr. Flancbaum said that the hardware will either be a laptop or some sort of tablet. That will be figured out at the next step. Senator Singer said that there needs to be a sign out sign in system for the equipment. The field employees need to know that they are responsible for the equipment. A tracking system of the equipment needs to be set up for a lot of reasons. When they are in the field and they leave the equipment in the truck the truck needs to be locked and they have to be vigilant. Unfortunately it can be taken if truck is left unlocked. This type of equipment is taken even though it is not of any use to them. People take things that are of no value to them and then it ends up in the garbage and it will cost us big money. We have to talk about it to the field employees. Perhaps there should be an in service training with the IT Department. Senator Singer also wanted to make sure that the units used are field operational. There are a number of units that are waterproof, can be dropped and a lot of things can happen with them and they are still operational. They may be more expensive but if you do not, there will be nothing but issues with them. Mr. McGregor said that this point was part of our discussions. Mr. Waxman said he assumes the data will not be in the unit so if someone walks off with it they will not have customer's information. Senator Singer said the data to someone else will be of no use. Mr. Waxman said does that mean that the personal information will not be in it. Senator Singer said it will have information of our lines. The biggest problem is that they will take a unit that will have no value to them and then they will throw it out. That will cost the Authority big money. The GTS proposal is broken down into two sections. The proposal is based on a three year program. Mr. Flancbaum said that he would like to take it one year at a time and see how it goes. The first section proposed fees are \$27,000.00 for data conversion. Data research at our office and input into GIS database is \$100,000 for one year. Training cost is \$7,000.00 for one year. The total cost to GTS Consultant is \$134,000.00. Separately, the Authority will have to make some in-house software purchases.

1. ArcGis online setup cost is \$2,500.00 for five users
2. Desktop standard license \$6,300.00
3. Server rental on existing GIS server cost at \$10,000.00 per year

Mr. Flancbaum said that the Authority can purchase their own server but at this point it is too expensive and too much maintenance. Senator Singer asked from whom is the

Authority renting the space. Mr. Flancbaum said that he asked John Gaona. Mr. Gaona said that he has somebody that has space that the Authority can rent from. It was either that or to the Cloud. This is more economical right now. Senator Singer said that we should make sure that whoever we are renting the space from should be secure and not somebody that is going out of business and then the Authority will be sitting with a problem. Mr. Smith should look at deal. Senator Signer does not want to find out that they are out of business next week and then what do we do. Mr. Flancbaum said the total for the purchase is \$18,800.00. We do not have a resolution for the purchase, it is budgeted. There is a resolution for the GTS contract in the amount of \$134,000.00. Senator Singer asked if any of the commissioners have any questions. There was none. Mrs. Lapa read **Resolution # 14-49 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1 Et. Seq.** Motion was made by Mr. S. Flancbaum, seconded by Mr. Waxman. On **roll call**, all members present voted, **"Yes".Adopted.**

**3. Resolution accepting authorizing the signing of third amendment to agreement with Lakewood Cogeneration facility**

The Authority has negotiated with Lakewood Cogen to reduce their daily allocation from 2.6 million gallons per day to 1.8 million gallons per day. Senator Singer said that this means the Authority gains money because the Authority has that water back in the field. Mr. Flancbaum said that in exchange Lakewood Cogen is building a third facility. They will not ask for more allocation, just transfer some of their existing allocation to their third facility. The resolution being presented is for authorization to enter into an agreement with them. Mrs. Lapa read **Resolution # 14-50 Authorizing The Execution Of The Third Amendment To Agreement Of Grant And Reservation.** Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On **roll call**, all members present voted, **"Yes".Adopted.**

**4. School on Ridge Avenue- Water main extension**

On the conference room screen was a tax map of the area discussed.

There is a school on Ridge Avenue that made an application a few years ago. The application was on hold. It has been resurrected. Usually the Authority requests applicants to extend their infrastructure to the end of the property line. In this case the applicant has asked for a waiver. Mr. Flancbaum pointed out the property in discussion on the screen. The frontage of their property is JCP&L easements and has JCP&L towers. The infrastructure would be extended to nowhere therefore they are asking for the waiver. Mr. Flancbaum said we do not see a reason it needs to be extended. Mr. Waxman asked till where would the applicant extend the infrastructure. Mr. Flancbaum said they will extend it fifty feet. Mr. Waxman asked if the Authority is okay with it. Mr. Morrill said that as long as there is a fire hydrant at the end it is okay. Mr. Flancbaum said a resolution is not needed for this he just wanted to run it by the commissioners. Senator Singer asked the commissioners if they are okay with this. Mrs. Fish asked which school is this. Mr. Waxman said that it is a school run by Rabbi Miller.

**5. Qualified Electrical Journeyman**

Mr. Farina has applied to the State to become a qualified electrical journeyman. Having an electrical journeyman in-house will allow us not only to work on low voltage electrical projects but also high voltage projects. This will be a great asset for the Authority. He can possibly train other qualified staff to move in that direction.

Senator Singer wanted to bring to the attention of the Authority that the Township airport is building t-hangars to rent out. They have requested that they be allowed to use well and septic. Each hangar will probably just have some drainage into it and probably also bathrooms. The problem is that it is on Township property and owned by the Township. If we will extend sewer and water over there, the Authority will have to pay for it. It is very expensive for t-hangars. People park and wash their planes there only. That is all they do. There are no restaurants there; they do not hang out there. Senator Singer's thought is that based on where the airport is and there is nothing close by, let them put in well and septic. We do not want to spend the money to do it. It would probably cost around one million dollars for ten t-hangars. Unless there is an objection, Senator Singer told Mr. Flancbaum to tell them that it is okay for the airport to have well and septic. Mr. Smith should generate a letter to them saying that based that it is on Township owned property it is okay for well and septic. Senator Singer does not want people to think that the exception comes to everybody. Because the airport is owned by the Township and is part of government entity, we have no objection. Mr. Waxman asked if they expand would they have to come back for permission. Senator Singer said that it is a government property, do not worry about it. If they put in a restaurant we can always talk about it. It would cost millions of dollars to the Authority to put the lines in. There is nothing there. There also is another aspect; there is wetlands area back there. But a precedent should not be set. We do not want someone from the parks department comes in and asks for a waiver because of the waiver given to airport. Senator Singer told Mr. Flancbaum that he can send a letter to Mr. Reinman informing him, unless there is an objection to this. Mr. Hubal offered a suggestion to get away from the precedent issue. The letter should state that airport can put in their well and septic. At such time as mains are put in, in the future, then they are required to hook up. Senator Singer said that it is a good suggestion and Mr. Smith should include it.

## **X. Instrumentation/IT Department Report**

1. As introduced earlier in the meeting, the Technical Operations Department new employee, Mr. Bassyouni, has started on March 31<sup>st</sup>, 2014. At the present time he has been assigned to be with our contracted programmer for a majority of his time so that he is dedicated to learning the SCADA equipment and system. He will also shadow the operations staff from time to time so that he may pick up the essentials of the water treatment and sewage collection process. This will enable him to become a more efficient system troubleshooter.
2. We have been looking into several means of communications in order to establish the best choice to effectively handle our local and remote site wireless communications needs. At this point it looks as though we will have microwave radio technology to handle the largest of our traffic paths. Cell technology is being considered for other sites that do not have a clear line of site. It is felt that the migration of the two technologies will not only get the job done but will keep installation, equipment and future servicing costs within a reasonable level. Mr. Farina was able to secure a meeting with Ceragon, the manufacturer of several of our microwave radios. We are working on a plan to hire them

as a general contractor and in turn they will subcontract to Let's Think Wireless in order to expedite the repair and replacement of our microwave infrastructure. At the same time it will not present a conflict with Let's Think Wireless and the ongoing New Jersey Business System's litigation.

3. The installation of the Fire and Security system for the remaining areas of the New Hampshire Avenue Complex is under way. At this point Mr. Farina is pleased with the contractor and his efforts so far and hopes to maintain that position through the completion of the project.

**XI. Commissioners' Report**

**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**

There was an addition to the operating vouchers for Snow Services in the amount of \$1,500.00. Mr. Flanbaum said this was because the Authority exceeded the inches allowed. A **motion** was made by Mr. Waxman and seconded by Mrs. Fish to approve the Operating Vouchers in the amended amount of \$1,102,293.29. On **voice vote**, all members present voted, "**Aye**". **Motion passed.**

**XV. CLOSED SESSION**

**XVI. OPEN SESSION**

**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 10:40A.M.

Respectfully submitted,

Nancy Lapa,  
Secretary, LTMUA