

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

September 3, 2013

- I. Senator Singer opened the meeting at 2:19 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 August 23, 2013 and The Tri Town News on August 23, 2013.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. Sernotti, Mr. Waxman and Senator Singer. The following professional and key personnel were present: Mr. Gerwin Bauer, Auditor, Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, 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 August 6, 2013, was made by Mr. Waxman and seconded by Mr. Sernotti. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**
- VI. **Accountant's Report**
Mr. Bauer is currently working on the month of July. It is almost complete. Everything looks on target. Mr. Bauer said that according to his estimation at this time the Authority is doing very well compared to the budget we were estimating. Work began on the 2014 annual budget. Senator Singer asked if the cash flow based on usage has been okay. Mr. Flancbaum said yes. It should be expected over the next year higher revenues that in the past due to the installation of the new meters. Mr. Sernotti asked if a higher percentage of money coming in already being seen. Mr. Flancbaum said that there were meters that were not being read for many years. Therefore, those customers were paying just the minimum usage. Now they are paying for actual usage. Mr. Bauer said

that some of the accounts were using a considerable amount of water thereby generating a considerable amount of money now. Senator Singer now more revenue is being generated through the annual tax sale and shut offs.

Mrs. Fish arrived at 2:21 P.M.

VII. Engineer's Report

1. Well 17 Drilling Contract

- Resolution Releasing Performance Guarantee, Releasing Retainage and Awarding Change Order #3

This resolution is releasing the Performance Guarantee, releasing the retainage, waiving the Maintenance Guarantee and awarding a Change Order in the amount of a credit of \$141,600.00. The credit is due to the fact that the DEP finally got back to the Authority after two years and told the Authority that a monitoring well is not needed. The installation of the monitoring well is being eliminated. This is the reason the contract was kept open. The reason the Maintenance Guarantee requirement is being waived is because it is past the time. Mrs. Lapa read **Resolution # 13-97 Releasing Performance Guarantee and Releasing Retainage Construction of Wells No. 17 and 4**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**. Mrs. Lapa read **Resolution # 13-98 Authorizing Change Order No. 3 and Extend Contract Construction of Wells No. 17 and 4**. Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

2. Leisure Village East Lift Station Repairs

- Resolution Releasing Performance Guarantee, Accepting Maintenance Guarantee and Releasing Retainage

This will be contingent on the Authority's letters. Everything has already been done except for releasing of retaining. They have some training to do. As soon as that is done, the retainage will be released. Mrs. Lapa read **Resolution # 13-99 Release of Performance Guarantee, Accepting Maintenance Guarantee and Releasing Retainage Leisure Village East Lift Station Repairs**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

3. Field Locate and Mapping of Authority Infrastructure

- Resolution Awarding Professional Services Contract

In the packet on page seven is a letter from GTS indicating all the additional locations. There are nineteen in all. This will take care of the final residential areas in the Authority's system. The amount of the proposal is \$30,189.00. This will cover everything except for the Industrial Park. This is scheduled to start this fall.

Mr. Norman Smith, Esq, has arrived at 2:25 P.M.

Mrs. Lapa read **Resolution # 13-100 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1 Et. Seq.** Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

4. GIS Updates 2013

- Resolution Awarding Change Order #1

The amount of the Change Order is \$8,500.00. This is for adding information to the Authority's GIS maps. Mrs. Lapa read **Resolution # 13-101 Authorizing Change Order No. 1 and Extend Contract GIS Updates For The Year 2013**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

5. New Hampshire Avenue Mikvah

- Resolution Accepting Developer's Agreement

In the packet on page ten you will find Schedule B which basically defines what is shown on their drawings as far as the construction that is required to service the project. Mrs. Lapa read **Resolution # 13-102 Authorizing The Execution Of The Developer's Agreement New Hampshire Avenue Mikvah**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

6. Repair and Replacement of Sanitary Sewer on Redondo Lane – Project Status

There is a new contractor for this project. He definitely underbid the project. Senator Singer said we knew he did. Mr. Morrill said that the contractor has been attempting to try to get the Authority to waive certain requirements. The Authority will not. He is being kept on track. There was a minor issue where a small trench was left open overnight. That issue was corrected. Senator Singer the Authority is very lucky that nothing happened as a result of the trench being left open. Senator Singer he is not sure what could be done, but we knew the project was underbid. Mr. Smith said that the Authority accepted it. Senator Singer said that we had no choice. If the Authority would have refused it, the contractor would have sued the Authority. There has to be a solution to this. Mr. Morrill said that if the contractor starts asking for Change Orders for more money because of conditions, we can shut him down immediately. Senator Singer is very upset about this. Senator Singer said he is not sure how much we can shut him down and not rethink the project. Mr. Flanbaum said that part of the specs was that the dewatering plan had to be signed and sealed by a professional engineer. They claimed ignorance of that. Since then, a letter was received from a professional engineer that they reviewed the dewatering plan and agree with it. Senator Singer said that if the Change Order is legitimate, the Authority will pay it. Senator Singer does not want the Authority stuck with the project, it needs to get done. It has been horrific. Mr. Smith said a close watch will have to be kept on the project. Mr. Smith asked if they have bonding. Mr. Flanbaum said yes. Regarding the open trench issue, the Authority was there till 6:30 P.M. on Friday evening. The contractor said he will come Saturday morning. Mr. Flanbaum said that if you do not come, Sambol is on call. Sambol will come in and fill in the trench. The contractor ended up coming Friday night. We will have to be on top of this contractor. Mr. Morrill said that it was not a big trench, it was twelve inches wide and eight inches deep, but it was not acceptable. It is enough for someone to be hurt.

VIII. Attorney's Report

Mr. Smith had a contractual arrangement made for the Well No. 5 issue. This is basically a land swap between what used to be KT Management, and now the successor is 100 Syracuse Court. There has been a little bit of a delay with the legal work. Mr. Doyle was retained to do the legal work. The actual document for it was not completed by Mr. Doyle. Mr. Smith just got it emailed to him this morning. There was good reason for it. There seems to be a circular problem, which Mr. Morrill solved for him to some extent this morning. There are several land swaps. The Authority is giving two parcels to the County by way of easement for road widening. A parcel is being given to 100 Syracuse Court. They are giving the Authority a parcel. They are then giving the Authority an access easement in a regular shape so there is access to the well. There is a problem

with the access easement. As Mr. Morrill explained to Mr. Smith, the DEP requires fifty feet from the well point be under the Authority's complete control and that it not be paved. Although the Authority's intention is for the well point go into the center of the parcel, you do not know until they do it exactly where it is. It may be a little bit off. Senator Singer said we should have just taken the property. Mr. Smith said we could have taken it. Mr. Smith said he spoke to Mr. Doyle this morning at length. This is what was decided. The Authority can exchange the land but cannot create the access area until the well is sunk. But you cannot sink the well until the land is exchanged. It is a "catch twenty two". Senator Singer if there is any further delay, just tell Mr. Doyle that the Authority is taking the land and there will not be a land swap. Mr. Smith he could take the land. Mr. Smith suggested that the land be swapped in escrow. Senator Singer said they are fine with that, but if there is any more delay just take the land. 100 Syracuse Court will then be left with nothing. Mr. Smith said he has with him deeds for the road widening easements to the County and for the Authority's conveyance of land to 100 Syracuse Court as part of the swap. Mr. Smith has a resolution title to authorize the execution of these deeds. He will hold the deeds in escrow. Mr. Smith read **Resolution 13-103 Authorizing The Execution Of Deeds To Certain Lands Owned By The Authority To 100 Syracuse Court, LLC In Fulfillment Of An Exchange Of Lands Between The Parties**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**. Mr. Smith said that he has their signed deed to the Authority. It will not be recorded yet.

IX. Executive Director's Report

1. Resolution to accept proposal from JBA Architecture & Consulting, LLC for interior fit out of existing storage space

A meeting was held with JBA Architecture and Consulting for an interior fit out for the existing filing room to convert into two separate offices. The price received was \$850 for all necessary design. Mr. Flancbaum gave them the verbal go ahead a couple of weeks ago so that this can progress in a timely fashion. Senator Singer said he would like to compliment Mr. Flancbaum and Mr. Morrill for the design of the filing room. It was very smart to have windows put in the outside walls. So now it will be a very easy conversion. One office will be for the controller and the second for the IT Department when they want to expand. Mrs. Lapa read **Resolution # 13-104 Awarding Contract For Interior Fit-Out Of Existing Storage Space**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

2. Authorization to advertise an RFP for tree work at various locations

Post Hurricane Sandy, it was identified dead or cracked trees and loose branches near the well houses, tanks and pump stations. Three proposals were received. They range from \$10,000 to \$22,000. Mr. Flancbaum would like to have a formal Request For Proposals on the website. Mr. Smith said you need a resolution to authorize the first RFP of a particular classification or project. Mrs. Lapa read **Resolution 13-105 Authorizing The Advertisement Of A Request For Proposals For Tree Work At Various Locations**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

3. Resolution to accept proposal from GTS Consultants to conduct water line mark outs

Mr. Flancbaum said he will retract this item for this month. The proposals were not received from GTS Consultants.

4. Resolution to accept proposal from GTS Consultants to revise As Built Guidelines

A need was identified to update the Water/Sewer As Built Guidelines to ensure that it is adhering to today's standards. GTS Consultants was engaged to research other Authorities guidelines and to incorporate and revise the Authority's guidelines based on the research. They gave a lump sum price of \$6,600.00 for the work. It is felt that it is needed and we need to move ahead with this. Mrs. Lapa read **Resolution # 13-106 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1 Et. Seq.** Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

5. **Authorization to bid space on Ridge Avenue Tank to cell phone carriers**
The Authority has been working with Verizon Wireless for a while to finalize a bid spec and a lease agreement that that industry would be amenable for the Ridge Avenue Tank. We have finally come to terms with them. Mr. Flancbaum would like authorization to bid space on Ridge Avenue Tank. Mr. Smith negotiated the terms of this lease agreement over many months. Mrs. Lapa read **Resolution 13-107 Authorizing The Solicitation Of Bids For Cell Tower Leases On The Ridge Avenue Water Storage Tank.** Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**
6. **Discussion- Update on operator licenses**
Mr. Flancbaum has good news regarding the operator licenses. Since the Operator Incentive Program was implemented, three employees have stepped forward. They will start their courses shortly. Senator Singer that is really great.
7. **Discussion- Pre-letter of intent to NJEIT for emergency preparedness upgrades**
Several months ago, the NJEIT had a call for emergency preparedness projects due to Hurricane Sandy. There was talk of possible grants. Mr. Flancbaum said that he filled out an application. There was no commitment by filling out an application. Mr. Flancbaum said on the application they asked what kinds of projects are being considered. He included the Brick MUA Interconnection project, the pump elimination project, the communications project, generators etc. These all fall under the category of emergency preparedness. If there is free money, the Authority is in.
8. **Discussion - NJ American Water Company Chestnut St. Lift Station elimination**
New Jersey American Water Company has a sewer capacity issue on the southern end of Route 9. They contacted the Authority several months ago to discuss the possibility of them eliminating their Chestnut Street Pump Station and tying into our sewer main on Chestnut Street. This would free up possibly several hundred thousand gallons per day. This would enable them to divert to more development down Route 9. The Authority met T&M Associates a few weeks ago. There are several items that the Authority needs to consider. First, we have to consider our own service area. The current flow, mainlines, projected flows based on the Township's updated Master Plan. Senator Singer said to keep in mind that the whole flea market area is in the Authority's service area and they will develop it in the future. Mr. Flancbaum said that is one of the considerations and more. Then the Authority has to consider what New Jersey American Water Company's current flow is and what their future demands will be. It is a big project. Senator Singer said to be careful. Mr. Waxman asked what the Authority will gain by doing this. Mr. Flancbaum said the Authority will gain monetarily. Mr. Waxman asked how much. Mr. Flancbaum said that has to be looked into. Senator Singer is very concerned and the Authority needs to be kept in mind two items. The area of land in Chestnut Street and Route 70 was not touched to a great extent. The flea market will be a huge complex and there are other areas. Also, we still have additional development on Cedarbridge which

will affect the entire area. We cannot find ourselves without enough capacity for our service area. Mr. Morrill said that Cedarbridge will not impact this sewer line. Mr. Morrill said that when he designed this sewer line in the days of Harrogate he did take into account the idea that they would eventually eliminate their pump station and all the flow would go to our sewer. The Authority did design for it. However what was not taken into account is the change in density that is being seen. That is why we have to be very careful. Mr. Flancbaum is working on this with him. We need to look at this very carefully. Senator Singer said that the Authority can take over the water and sewer on Route 9. Mr. Flancbaum said that is one of the considerations. There are different considerations and will be based on results of the commissioned study that New Jersey American Water Company will pay for. The Authority was very clear with them that they will have to pay for all studies etc. needed for this. They have already paid for a flow analysis. Mr. Flancbaum would like to show the commissioners the area that is being discussed, where their pump stations are located and where they will tie in. Mr. Flancbaum had a presentation on the screen and showed the area and issues that was discussed previously.

X. Instrumentation/IT Department Report

Mr. Farina reported that all new water chemistry analyzer equipment and chemical feed pumps are now installed and fully operational at the Shorrock Street Water Treatment Plant; the only exception is the disinfection equipment which will eventually be dispensed by a different process exactly like what is being used at the New Hampshire Avenue Treatment Plant and that being a Calcium Hypochlorite tablet system.

Preliminary base programming is almost completed by our integrator having to do with the SCADA control equipment switchover due to begin to take place at the Shorrock Street Treatment Plant. We will start the task of switching over vital plant operation loops as soon as the seasonal demand starts to diminish allowing us a little more flexibility with the plant's operations.

The last 6 control RTU cabinets consisting of all the new General Electric components are being constructed by the Authority's panel builder and are expected to be completed by late September, early October. This will be the end of any new cabinets to be built with the exception of any new well houses coming on line in the Authority's future namely the ballpark well field.

We have now made some advancements in our effort to get our microwave radio system issues corrected in a way that we now have an engineer to develop a bid specification in order to have a competent company bid on a full evaluation of the current system and ultimately develop a design and materials list. GTS Consultants, which the Authority has worked with on several successful projects, has been selected for this task.

We are preparing to install a biometric attendance reader in the operations department that will replace the outmoded punch card system. Using fingerprint swipes instead of punch cards will reduce the risk of error and greatly reduce the amount of time spent transcribing the actual punch cards.

We are also looking at installing a camera at the Operations Building vehicle gate that will transmit live video into the building. We set up a similar IP camera at the gate at Shorrock Street and it has been very successful. In both cases, there are vehicles that need frequent access to the gate and no direct line of sight from within the building; this will allow for monitoring from within the building. We have been experimenting with these

camera's at Shorrock Street at the Administration Building lobby and now in the Operations front gate so that we can become further familiarized with camera usage and therefore become more educated in future camera purchases. Reason being is due to the fact that vendors tend to sell the type of camera's that profit them best and the camera's run a broad spectrum of cost and paying more does not necessarily mean that we get what is better for the Authority.

XI. Commissioners' Report

Mr. Sernotti said he is sure there is good reason for the switch in the timing of the meeting. He would appreciate it to get as much notice as possible. Also, he may not always be available to accommodate the switched time. Mr. Waxman suggested, that at least for him, it would be easier to switch the day as opposed to the time. Mr. Sernotti said he agrees with Mr. Waxman. Senator Singer said for next year we need to look at the calendar. If there is a meeting in a four day week, we should look at the best possible time to have that meeting take place.

XII. MEETING OPEN TO THE PUBLIC

There was no response from the public.

XIII. MEETING CLOSED TO THE PUBLIC

XIV. MOTION TO APPROVE THE OPERATING VOUCHERS

A **motion** was made by Mr. Waxman and seconded by Mrs. Fish to approve the Operating Vouchers in the amended amount of \$1,147,728.08. On a **Voice Vote**, all members present voted, "**Aye**". **Motion passed.**

XV. CLOSED SESSION

A **motion** was made by Mr. Waxman and seconded by Mrs. Fish to go into closed session at 2:53 P.M to discuss personnel. On a **voice vote**, all members present voted, "**Aye**".

XVI. OPEN SESSION

At 3:16 P.M. the meeting went back to open session. Senator Singer said that based on the recommendations of the subcommittee of Mrs. Fish, Mr. Coles and Mr. Bauer. They looked at twenty Authorities in the area, both our size, smaller and larger. They made a determination that the salary of the Executive Director was below the standard for our size Authority. They made a recommendation to align his salary appropriate to the responsibility that he has. The Board is authorizing the appropriation of \$125,814.76 per annum as the new Executive Director's salary. This will be effective as of date of the committee's meeting, July 30, 2013. As per Mrs. Lapa this resolution will be **Resolution #13-108**. Mr. Smith will prepare the resolution. A **motion** was made by Mr. Waxman and seconded by Mr. Sernotti. On a **roll call**, all members present voted, "**Yes**". **Adopted.** Senator Singer said that he would like to thank Mrs. Fish and Mr. Coles for taking responsibility for this.

XVII. ADJOURNMENT

A **motion** was made by Mr. Waxman, seconded by Mr. Sernotti to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 3:19 P.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA