



Board of Commissioners

Senator Robert Singer, Chairman

Raymond Coles, Vice Chairman

Anne Fish, Treasurer

Samuel Flancbaum, Assistant Secretary

Michael Sernotti, Commissioner

Craig Theibault, Alt. Commissioner

P. G. Waxman, Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

May 3, 2016

- I. Senator Singer opened the meeting at 10:01 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 9, 2016 and The Tri Town News on February 11, 2016.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On a roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancbaum, Mr. Sernotti, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professionals and key personnel were present: Mr. Norman Smith, Esq., Mr. Gerwin Bauer Jr., Auditor, Mr. Justin Flancbaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Adam Ponsi, P. E., Mrs. Nechama Lapa, Secretary and Mr. Robert Farina, Instrumentation Department Supervisor.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting held on April 5, 2016, was made by Mr. Waxman and seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Motion carried.**
- VI. **Chief Financial Officer Report**
 1. **Financial Results Review For Period Ending April 30, 2016**
The Authorities net position for the period ending April 30, 2016 is approximately \$1 Million which is approximately \$1 Million ahead of the Year to Date Budget. The Authority's operating revenue through April 30, 2016 is \$5.2 Million which is approximately \$1.1 Million ahead of the budget. The higher revenue is being driven by water and sewer service fees coming higher than budget as well as higher non-recurring

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connection fees to date. Excluding the non-recurring connection fees Of \$453,000.00, the Authority net position would ahead of the budget by approximately \$700,000.00. The Authority's expenses are relatively flat. Compared to the budget, it is slightly over the budget. Comparing this year's expenses to last year's at the same time frame, the Authority's actuals are slightly ahead of last year's by about \$200,000.00. This is being driven mainly by salary and benefit. This is to be expected and a good thing. The Authority is managing the expenses well. Senator Singer asked what the increase in the cost for healthcare was. Mr. Rappoccio said it was almost six percent. Senator Singer asked Mr. Rappoccio to call Vicky at the Ocean County Health Department to get information on their health insurance plans. Their rates have been flat for the last two years. They are not part of the State Plan. These rates are very hard for the Authority. The raise in cost of premiums is huge. Senator Singer said he would rather give the increase to the employees. Mr. Rappoccio said he will call Vicky.

2. **Motion to Approve Operating Vouchers**

There are abstentions that will be noted. The Operating Expenses have changed from what was sent on Friday. One item was added in the amount of \$8,367.00 for the Authority Attorney. The new Operating Expense total being requested for approval is \$1,544,133.23. A **motion** to approve operating vouchers in the amended amount of \$1,544,133.23 was made by Mr. Waxman, seconded by Mr. Coles. On **roll call**, all members present voted, "**Yes**" with noted abstentions. **Motion Carried.** Mr. Smith read for the record. "Commissioners did not participate in the discussion or vote for or against the payment of any funds or granting any benefit to a vendor or other entity with which the commissioner has a conflict of interest as set forth on the abstention list maintained by the Executive Director." Mr. Smith said that from now on the abstentions will be established and given to the Executive Director. Senator Singer said that a copy of the wording should be given to Mrs. Lapa and Mr. Rappoccio should look on the Disclosure Forms and make sure that whatever is on the Disclosure Forms is on the list. Also, talk to each commissioner including the alternates and find out what they are involved in so it can be included on the abstention list.

VII. **Engineer's Report** - Mr. Ponsi reported on behalf of Mr. Morrill

1. **New Hampshire & Route 70 74 Unit Development**

- Resolution Granting Conceptual Approval

This is the property by the Exxon Station. On April 5, 2016 a letter was received from GTS Consultants for conceptual review. At this time the Authority may grant conceptual approval for this project conditioned upon the letter from GTS Consultants. Senator Singer asked whose project is this. Mr. J. Flancbaum said it is Yehuda Dachs. Mrs. Lapa read **Resolution # 16-61 On Site And Off Site Water And Sanitary Sewer Extension Grant Of Conceptual Approval New Hampshire And Route 70 74 Unit Development.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted.**

2. **Lanes Mills Road Office Building**

- Resolution Accepting Terms of Developers Agreement
- Resolution Granting Conceptual & Technical Approval (Sewer Only)

A meeting was held on April 13, 2016 with the developer regarding the Developers Agreement. The terms are listed in the report. At this time the Authority may accept the terms of the Developers Agreement. Senator Singer asked whose project is this. Mr. J. Flancbaum said that Mordechai Fligman is the developer. Mrs. Lapa read **Resolution # 16-62 Authorizing The Execution Of Developer's Agreement Lanes Mill Road**

Office Building. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.** The second resolution is for the sewer line extension. On April 27, 2016, T&M Associates issued a conceptual and technical review letter. At this time, the Authority may grant conceptual and technical approval conditioned on that letter. Mrs. Lapa read **Resolution # 16-63 On Site And Off Site Water And Sanitary Sewer Extension Grant Of Conceptual And Technical Approval (Sewer Only) Lanes Mill Road Office Building.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

3. The Avenue Shoppes Retail Development

- Resolution Granting Final Approval

On April 22, 2016 GTS Consultants issued a final application review letter. At this time the Authority may grant final approval subject to the letter. Mrs. Lapa read **Resolution # 16-64 Grant Of Final Approval The Avenue Shoppes Retail Development.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted.**

4. Pine Street Construction of Production Wells

- Resolution For Proprietary Equipment
- Motion For Authorization to Bid

The resolution for proprietary equipment will not be presented at the meeting. The specs will be revised to not require proprietary equipment. A motion is needed for authorization to bid for the construction of the two Pine Street production wells. A **motion** for authorization to bid for the construction of the two Pine Street production wells was made by Mr. Waxman and seconded by Mr. Coles. Mr. Smith said that the reason he recommended eliminating this resolution is that there is a statutory process to utilize proprietary equipment, however, the authority did not go through that process. Senator Singer thanked Mr. Smith for picking that up. On a **roll call**, all members present voted, "**Yes**". **Motion carried.**

5. Abandonment of the Woodlake Pump Station

- Resolution Awarding Change Order #6
- Resolution Awarding Change Order #7

The first Change Order is due to unforeseen conditions in the amount of \$15,616.50. Mr. Waxman asked if it the fault of the engineer. Mr. Ponsi said no. A water service for a building was uncovered. It was not marked out on the plans. It was built a long time ago and therefore was not on any of the maps. Mr. Waxman asked Mr. Ponsi if he recommends awarding the Change Order. Mr. Ponsi said yes. The second Change Order is for additional paving work with exception of the work on Pinehurst Drive. The amount for the second Change Order is \$17,031.00. Senator Singer wanted to clarify what is happening. This project is a very messy one. If the Authority would rethink it perhaps it may not have been done. The people on the road have not been very cooperative. They want the Authority to restore more than was disturbed. It is very difficult to assess how much was disturbed and what was the condition. The Authority should have done, and this is a lesson for the future, the engineering department should go out there and videotape every part and parcel of the entire place before it is disturbed. So that after they cannot come back to the Authority and say really that is not exactly the way it was. Every one of the people said that the Authority ruined more and has to fix more than the Authority actually did. A lot of the stuff in the \$17,000.00 is questionable but if the Authority does not agree to it the Authority will find itself in

seventeen different lawsuits. That would be very expensive. This is a lesson that needs to be learnt. Sewer and water was brought to them which is good for them. With the exception of a few people, the thank you was horrific. Senator Singer asked if that not a fair assumption. Mr. J. Flancbaum and Mr. Ponsi both said absolutely. Senator Singer said what we also need to do is have the people to sign off and date on the condition before work is done. Stating this is what is being disturbed and this is what will be fixed. Then there will still be spillover. The real question is do you spend the time and money to do this even though there will be some of this problem anyway. Senator Singer said he is not sure. Senator Singer thanked Mr. J. Flancbaum very much and the staff for dealing with the people there. It has not been easy. The people there should be thankful that they will not have any more problems with the pump station and disruptions. The project is still in budget. Senator Singer said the cost factor of eliminating the pump station is still less than what would have to be paid to redo the pump station. There would have been the expense of the upgrade and the maintenance. The Authority is ahead of the game. It is very disturbing to Senator Singer because he knows some of the characters that the Authority had to deal with. Those same people gave problems when Senator Singer was on the governing body. They either misled the governing body or lied. Senator Singer wanted the commissioners to know that it has not been a smooth situation because a lot of these individuals, who at the beginning were saying how great and wonderful this is. Mrs. Lapa read **Resolution # 16-65 Authorizing Change Order Nos. 6 And 7 Abandonment of the Woodlake Pump Station.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **roll call**, all members present voted, **"Yes"**. **Adopted.**

6. Maintenance and Future Planning Wells 9, 10, 15 & 16

- Resolution Awarding Change Order #1
 - Resolution Accepting Maintenance Guarantee, Releasing Performance Guarantee and Releasing Retainage
- The Change Order is to close out the project. It is for Stephen Drilling for a net credit of \$74,230.00. Mrs. Lapa read **Resolution # 16-66 Authorizing Change Order No. 1 Wells 9, 10, 15 And 16 Maintenance And Future Planning.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, **"Aye"**. **Adopted.** Mrs. Lapa read **Resolution # 16-67 Release Of Performance Guarantee, Accepting Maintenance Guarantee And Releasing Retainage Wells 9, 10, 15 And 16 Maintenance And Future Planning.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, **"Aye"**. **Adopted.**

7. Shorrock Street Water Treatment Plant Filter Media Change

- Resolution Accepting Maintenance Guarantee, Releasing Performance Guarantee and Releasing Retainage
- This resolution closes out the project. Mrs. Lapa read **Resolution # 16-68 Release Of Performance Guarantee, Accepting Maintenance Guarantee And Releasing Retainage Shorrock Street Water Treatment Plant Filter Change.** Motion was made by Mr. Sernotti, seconded by Mr. Coles. On a **voice vote**, all members present voted, **"Aye"**. **Adopted.**

VIII. Attorney's Report

Mr. Smith said he will give an update on two lawsuits. One lawsuit is brought by Pro Capital Fund I LLC by its custodian, US Bank against Horizon Woodlake Greens. They did not have any substantial claim against the Authority but did have some technical need to have the Authority in there. There were some things they were asking the

Authority to do based upon the results of the lawsuit that named the Authority. The Authority did not participate very much. The other parties have settled it and entered into a consent order. Mr. Smith just saw the consent order this morning. The only problem with the consent order is that it has thrown the Authority into it as jointly and severally. They agreed to pay \$270,000.00 to the plaintiff. The Authority will not pay any money. Mr. Smith said he will contact them and say he is not consenting to this order, it is an error. Senator Singer asked which judge is on this lawsuit. Mr. Smith said Judge Hodgson. Senator Singer asked if Mr. Smith will go back in front of the judge. Mr. Smith said he will not. This is a proposed form of order. Mr. Smith will call the attorneys that drafted it to say that the Authority does not consent to the proposal of order. The Authority was put in by mistake. Senator Singer asked if Mr. Smith will let the judge know this. Mr. Smith said it is not necessary. If the attorney will change the form of order then the judge is not needed. If he does not want to change it then Mr. Smith will have to go to the judge. Senator Singer asked Mr. Smith to keep the commissioners posted on this. Mr. Smith said he thinks the attorney will realize it is a mistake and just change it. If the attorney does not change it then Mr. Smith will go back in front of the judge. The second lawsuit is against Western Surety Company for the Airport Road Tank. This is slow going. Mr. Smith just received from Western Surety their first demand for interrogatories. Mr. Smith said he will sit down with the Authority engineering staff to answer them. Senator Singer thought that you might want to have Remington Vernick also involved since they were the engineers on the job. Mr. Smith said that is a good idea.

IX. Executive Director's Report

1. Resolution Awarding Landscape Maintenance Contract for 2016

The Authority advertised a Request for Proposals and conducted a proposal opening on April 25, 2016. One proposal was received. It was from Meticulous Landscaping with a price of \$3,285.00 per month for seven months totaling \$23,000.00. This is same price the Authority has been charged for the last several years with them. The Authority has always been satisfied with their service. Mrs. Lapa read **Resolution # 16-69 Awarding Contract For Landscape Maintenance**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **roll call**, Mr. Sernotti, Mr. Coles, Mr. and Mrs. Fish voted, "**Yes**". Senator Singer abstained. **Adopted**.

2. Resolution Awarding Professional Services Contract to Giordano, Halleran, & Ciesla, P.C.

The Authority would like to engage Mr. Michael Gross to assist with the Bureau of Safe Drinking Water Master Permit with the DEP. Senator Singer said that he suggested Mr. Gross. Mr. Waxman and Mr. Coles know him. Mr. Gross is the premier guy on the DEP. Mr. J. Flancbaum and the staff have done positive work but it has to be done in the right way. The Authority is trying to get the amount in reserve lowered for the Cogen Plant thereby allowing the Authority to pick up the additional water. This would give the Authority another five to seven years before worrying about it. Senator Singer said Mr. Gross is the right person to have on this. Mr. Smith said that Mr. Gross is the premier water allocation expert in the State of New Jersey. Mrs. Lapa read **Resolution #16-70 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**.

3. Solar Project Update

Mr. J. Flancbaum and Mr. Rappoccio met with EZ Energy and their partner Engie which is part of Suez last week. They gave some suggested revisions to the PPA. The suggestions were forwarded to Mr. Smith and to T&M Associates for review. A conference call is set up for Thursday to discuss the proposed revisions. Mr. J. Flancbaum is trying to move this project forward as quickly as possible. EZ Energy is eager. Senator Singer said to get this project done fast before there is a problem.

Mr. J. Flancbaum added on one item to his agenda:

4. Reverse Electricity Supply Auction

This is for the electric supply for the New Hampshire Avenue Complex until the solar project is up and running. This will save the Authority money on electricity. The auction will run next Thursday. A resolution is needed to allow the Authority to enter into an agreement with the lowest proposer based on the reverse auction. Mrs. Lapa read **Resolution # 16-71 Authorizing The Purchase Of Electricity Supply Services For Public Use On An Online Auction Website**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote** all members present voted **“Aye”**. **Adopted**.

X. Instrumentation/IT Department Report

1. Shorrocks Street Radio/Antenna, New Steel Tower & Wood Poles Summary

Mr. Farina has pictures to show of the Shorrocks Street radios that have been successfully transferred over to the new steel tower and are fully functional. The next step is to carefully plan where to re-deploy the existing wooden telephone poles to facilitate radios at the two last remote stations that currently do not have them. One pole will be going to the Well No. 3 site and the other will possibly be slated for Well No. 2. This is pending further investigation to see if it will absolutely work for us out there. Senator Singer asked if the tower works fine. Mr. Farina said yes. Senator Singer said besides for the fact that the Authority won the case, he feels good that this works.

2. Well Nos. 1, 3 & 19 Status Update

The SCADA controls are fully operational at Well No. 19. We are able to pump water and control the station from our main screens. Backup generator work still remains as there still is not natural gas to the site as of yet. We are in the process of getting Wells Nos. 1 and 3 fully operational. After that we will focus on getting our Well No. 17 ASR ready for chemical addition so that we will be able to perform recharging in the Fall.

3. Shorrocks Street New SCADA Control Room

The final modified plans for the new Shorrocks Street SCADA control room were received. They have been approved to move forward and are now being sent to potential contractors for bid.

IT Status Report

4. Vehicle GPS Status Report

Vehicle GPS is fully installed on all vehicles in the fleet. The Authority is now capable of monitoring and tracking of such.

5. TimeOut Software Implementation Status

Phase one has been completed. Phase two, the Time Clock, will begin this month. Mr. Farina is working with Mr. Rappoccio and Mrs. Lapa, along with the vendor CWS.

6. GIS Implementation

GIS Implementation is back on track. The Authority's recommendation to GTS to submit a more detailed proposal is coming to fruition. A summary was received from GTS's subcontractor that states our terms more clearly. This includes requested items such as work summaries, objectives, future costs and current cost breakdowns. The Authority has begun to utilize the online systems to see some of our data and its possibilities. We have communicated our expectations to redirect funds appropriately in order to have a useable database this year and better details and documentation on submittals for payment. The GIS Virtual Server setup is completed. The software needs to be purchased. It is waiting for approval.

7. Fire & Security Systems Update

The remaining Fire and Security monitoring account switchover to the new and present monitoring service will be completed by months end.

8. Windows 10® Rollout Status

Rollout of the Free Windows 10 upgrades on our entire organizations computer desktops will begin this month and will be completed this month.

9. Computerized Maintenance Management System Update

The Computerized Maintenance Management system EMAINT has now been proven to be a reliable asset to the Operations Department. We are now in the developmental stage of creating a project management database for engineering. Testing will begin this month.

XI. Commissioners' Report

Mr. Theibault wanted to share that Lakewood Township will be having their Annual Arbor Day this year at the Authority next Tuesday. Mr. Theibault will send out an invite to all and would like to see as many people as possible. It will be at 4:00 P.M. Mr. Theibault together with Mr. J. Flanbaum will pick out a site for the trees. Senator Singer asked if the Authority can get some trees up front. Mr. Coles said a thousand trees are coming. Senator Singer suggested that some seasonal flowers should be put up front. Mr. J. Flanbaum said that it will be done this season.

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

Senator Singer told Mr. J. Flanbaum to start meeting with the department heads of the different departments regarding their future needs because construction will be done next year. An architect needs to be hired.

Senator Singer would like a letter to be sent to the County expressing dissatisfaction with the road in front. It may be alleviated by the light that will be going up. It is dangerous for the employees coming in every day. If an employee is trying to make a left turn into the parking lot and someone is trying to make a left turn into Quick Chek you cannot see around them. It is blocked. It is not safe. The County has to do something about it. Senator Singer asked Mr. Ponsi as an engineer what his thoughts are. Mr. Ponsi said that when it was originally designed for Quick Chek they ignored the fact that the Authority has a left turning lane. They did not take it into account. Senator Singer said that it is so dangerous. It is just a matter of time till something happens. The County has to be put on notice that the Authority is not satisfied with it. It is a safety hazard and is

not reasonable for that design. Mr. J. Flancbaum said it is very dangerous. Senator Singer said it is going to be a mess when the office building next door opens. There is not enough parking for that building. Senator Singer said he keeps pushing on the solar field. If it does not get in soon, there will be problems. Whatever has to be done to get it in, do it. If extra time is needed do it. Senator Singer does not want this dragging on meeting after meeting. It has to get done. Regarding the traffic out here, it has to be made safe for the employees to come into work every day and also for the customers. This is not satisfactory. Tell the County the Authority wants an on-site inspection with the Authority engineers. If the Authority has to pay to bring in an engineering firm to tell them what to do, the Authority will do it. Senator Singer said to Mr. J. Flancbaum that if need be one of the Authority's engineering firms can come to help them redesign it to be safe for the employees. The County has to be on notice that it is not safe for the employees. An employee should not be hurt because of this. Senator Singer said he has no problem with the development. But he has a problem when the Authority is an afterthought when designing the turn lanes. The left hand turn into Quick Chek does not make sense. It should not be there. The County has to be put on notice that the Authority thinks it is a dangerous situation and if they need help, we are more than happy to help. The Authority would like a site visit and see what is going on. When the traffic light further down is in, it will help slow the flow. They also have to look into the timing. Senator Singer said when he drove in this morning for the meeting he waited for a long time to turn and it was not rush hour. Senator Singer said asked if there is a back way to get into the New Hampshire Complex so left turn on New Hampshire can be avoided. Mr. J. Flancbaum said that he was looking into different possibilities when planning for the addition. Senator Singer asked if it would help if the entrance would be pushed down further. Mr. J. Flancbaum said he does not know if it will help. Senator Singer said that is why he wants the County to take a look at it. If the Authority has to do something for the safety of the employees, he does not want to spare the money. The Authority owns land in the front edge of the solar field, maybe that land can be used. Maybe the entrance can be pushed further. Mr. Ponsi said then the Authority would lose the left turn lane because the Quick Chek left turn lane is there. Senator Singer does not know what needs to be done, he knows that something must be done. It is a concerning factor for anyone that comes to the Authority. Senator Singer said maybe call them and ask for an on-site meeting and make sure the Authority engineers are there. Make sure they come at a time when there is a lot of traffic and not at a quiet time so they can see what is going on. They should come in the morning. Senator Singer said he spoke with some of the Authority staff and they are really concerned making the left turn in.

XIV. ADJOURNMENT

A motion was made by Mr. Waxman, seconded by Mrs. Fish to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:43 A.M.

Respectfully submitted,

Nechama Lapa,
Secretary, LTMUA