



Board of Commissioners

Senator Robert Singer, Chairman

Mayor Raymond Coles, Vice Chairman

Craig Theibault, Treasurer

Anne Fish, Assistant Secretary

Yocheved Miller, Commissioner

Samuel Flancbaum, Alt. Commissioner

Meir Lichtenstein, Alt. Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

December 7, 2021

- I. Senator Singer opened the meeting at 10:00 A.M. via teleconference.
- 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 18, 2021 and The Tri Town News on February 24, 2021 and again in the Asbury Park Press on November 5, 2021 and in the Tri Town News on November 10, 2021.
- III. **Salute to the Flag**
Senator Singer asked for a moment of silence to commemorate the 80th anniversary of Pearl Harbor.
- IV. **Roll Call of Commissioners**
On roll call the following Commissioners were present: Mrs. Miller, Mrs. Fish, Mr. Theibault, Mr. S. Flancbaum, and Senator Singer. The following professionals and key personnel were present: Mr. Adam Pfeffer, Esq., Mr. Gerwin Bauer, Auditor, Mr. Justin Flancbaum, Executive Director, Mr. Donald Sondak, CFO, Mr. Bob Farina, Director of Operations, Harry Robbins, Operations Manager, Colin Farrell, Director of Engineering, and Mr. Adam Ponsi, P. E.
- V. **Minutes**
- VI. **Chief Financial Officer Report**
 1. **Financial Overview:**
October 31, 2021 marked the end of the fiscal year. The Authorities net position for the year ending is approximately \$4.2 million. This is approximately \$880,000 better than budget. The Authority's Operating Revenue for the same period is approximately \$12.95 million which exceeded the budget by \$664,000, The over budget condition is driven by non-recurring connection fees of approximately \$770,000. The Authority's Operating Expenses are approximately \$8.8 million which is \$214,000 below the \$9 million budget.

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390 NEW HAMPSHIRE AVENUE, LAKEWOOD, NEW JERSEY 08701

PHONE (732) 363-4422 | FAX: (732) 905-0712 | WWW.LAKEWOODMUA.COM

2. Resolution Approving the Authority Budget:

A resolution is required to approve sending the 2021-2022 Authority Budget to the State for review and approval. A meeting was held on November 19, 2021 with the Authority's Budget Committee and Accounting Firm. Overall, the budget is similar to the prior year's budget with one notable exception. This year we do include following the Township of Lakewoods lead in a 3% increase to our employees base salaries as well as what could be a one time cost of living adjustment of 2.9%, so that is not added to the base, it's just additional pay. Also due to new and emerging requirements regarding PFAS treatment by the DEP, as the board knows, we will be building two GAC buildings. One at the New Hampshire Avenue Water Treatment Plant, and one at the Shorrock Street Water Treatment Plant.

These 2 new buildings and water treatment requirements will cost in excess of \$12 million. The Authority is funding these projects through the iBank and are included in the Authority's 2021-2022 Capital Budget. The projects are anticipated to take 3 years to complete. In order to meet Bond Covenants, we need to adjust Water Service Rates. This will not impact Sewer Service Rates. The required rate adjustments are included in our 2021-2022 Operating Budget and will be phased in over a 4 year period as follows:

7.5% - 2021-2022
3.0% - 2022-2023
2.0% - 2023-2024
2.0% - 2024-2025

The total increase over the 4 years is 14.5%. Even with this increase our Water Service rates remain one of the lowest compared to neighboring Authorities, and less than half that of New Jersey American Water. Per statute we will have a formal January Rate Hearing on the rate adjustment.

Senator Singer asked what is the rate from the bank from the state?

Mr. Sondak responds with we haven't submitted and therefore, we do not know yet. Typically it's 30% at zero and 70% whatever the prevailing rate is. We won't apply for another year so I don't know exactly.

Senator Singer: We have to do a comparison to see which rate is better because we can use the town's bond authority to give us a better rate. So we have to do that comparison to see which is cheaper. Keep in mind it's expensive to do the bonding and it's expensive to do the loan but at least if we do the comparison we know we have gotten the best rate for the Authority.

Mr. Sondak said "I would recommend that the Board approve the 2021-2022 Budget for submission to the State by approving Resolution 21-99."

- Resolution 21-99 Approving the Authority Budget
Motion was made by Mayor Coles, seconded by Mr. S. Flancbaum. On **roll call**, all members present voted **"Yes."** **Adopted.**

Senator Singer mentions for the Board that the town has asked us to apply so that the 2.9% might come out of covid money because we are all essential workers. We don't know that for sure so we have funded it but we may be able to recoup some or all of that money.

3. Motion to Approve the Operating Voucher

The Operating Voucher in your Board Packets is \$747,123.77. This total includes a year-end true up to the Brick MUA for purchased water in the amount of \$102,460.55. Otherwise, there are no out-of-the-ordinary monthly issues to note. Lastly, the Operating Voucher is amended for two Levin Shea Pfeffer & Goldman PA invoices of 1,440.00 and 9,247.50 for a total of 10,687.50. This brings the Amended Operating Voucher total to \$757,811.27. I recommend that the board approve the Operating Voucher, as amended to \$757,811.27, with noted abstentions.

Senator Singer asked, when does the agreement with Brick end?

Mr. Flancbaum responds, January 2023. We have to give a minimum of 6 months notice if we are going to terminate. We have the calendar marked.

- Motion was made by Mayor Coles and seconded by Mrs. Fish. **On roll call**, all members present voted **“Yes.” Adopted.**

4. Executive Order 229 Update:

As of this meeting, the Governor of New Jersey’s Executive Order #229 is scheduled to expire January 1, 2022. While the Governor retains the authority to extend or otherwise revise the Order, we anticipate that on January 1, 2022 interest will begin to accrue again on past due balances for both water and sewer service. We also anticipate that the 2022 Tax Sale will include both Water and Sewer service. The upcoming 12/27/2021 Tax Sale includes Sewer only. We will continue to closely monitor this issue and if anything changes we will notify the Board in January.

Mayor Coles: If we could get a list of anybody who is in arrears on their water bills, there is a very good possibility we can get them paid in full through the rescue fund monies.

Senator Singer: Just for the record, we submitted to the state. They asked us to do so. They claim they’re going to pay for it so we have submitted it. Keep in mind some of those are landlords which takes a different turn but we have submitted it.

Senator Singer asked Mr. Bauer if he has anything to add.

Mr. Bauer: Don and Justin did a great job working on the budget and I think it’s a great budget. The audit for 2020 is still on hold because of the actuarial reports. I still have no news when those reports might be coming out. I have already started beginning work on the 2021 budget which is very unusual. Usually one budget is done before I begin work on the next. I did speak with DCA. They are going to let me send me these budgets in through PDF so that should help facilitate everything.

VII. Engineer’s Report

1. Avenue of the States Office Building #2 (AOTS II Urban Renewal, LLC – Shaindl Shur & Nathan Newman)

- Resolution No. 21-100 Authorizing the Executive Director to endorse applications Avenue of the States Office Building 2
Motion was made by Mayor Coles and seconded by Mrs. Fish. **On roll call**, all members present voted **“Yes”**. **Adopted.**

2. Ridge Avenue School & 15 Lot Subdivision (Bais Reuven Kamenetz of Lakewood, Inc – Yisroel Olebaum & Menachem Gutfreund)

The following are unique terms to the developer's agreement:

1. Prior to the commencement of construction the developer must provide copies of all field deeds of easements that are necessary for the construction of the offsite sanitary sewer.
 2. Prior to the commencement of construction the developer will either provide a copy of the CAFRA permit for the project or provide written documentation for the NJDEP that a CAFRA permit is not required for the proposed offsite sanitary sewer main extension.
 3. The proposed school at their discretion may install a temporary force main prior to the offsite gravity sewer main extension being complete and if the school elects to install a temporary force main they agree to abandon the force main per authority standards and shall post performance guarantee to ensure the abandonment occurs.
- Resolution No. 21-101 Accepting Terms of the Developer's Agreement Ridge Avenue School & 15 Lot Subdivision
Motion was made by Mrs. Fish seconded by Mayor Coles. On **roll call**, Mr. Theibault abstained, all other members present voted **"Yes"**. **Adopted.**

3. Accepting Qualifications for Engineering Services 2022

The names of all 17 engineering companies being accepted were read aloud: Suburban Consulting Engineers, CME Associates, T&M Associates, GTS Consultants, Owen, Little & Associates, Mott MacDonald, Colliers, Remington & Vernick Engineers, Grant Engineering, H2M Architects & Engineers, Morgan Engineering, Van Cleef Engineering Associates, Boro Engineering, FPA, Alaimo Group, Matrix New World & On Board Engineering.

- Resolution No. 21-102 Accepting Qualifications for Engineering Services 2022
Motion was made by Mayor Coles and seconded by Mr. Theibault. On **roll call**, all members present voted **"Yes"**. **Adopted.**

Senator Singer thanked Mayor Coles & the committee for helping us out with our capital campaign this year & doing some wonderful projects we need to have done, we are going to have a busy year this year.

4. Awarding Professional Services Contract As-Built Drawings for Residential Applications 2022

This contract is for \$1,248.00 per dwelling including inspection services and \$836.00 excluding inspection services.

- Resolution No. 21-103 Awarding Professional Services Contract As-Built Drawings 2022
Motion was made by Mrs. Fish seconded by Mr. Theibault. On **roll call**, all members present voted **"Yes"**. **Adopted.**

5. Awarding Professional Services Contract Regulatory Compliance Assistance 2022

This contract is for \$30,000 which is a 9% decrease from last years budget

- Resolution No. 21-104 Awarding Professional Services Contract Regulatory Compliance Assistance 2022
Motion was made by Mrs. Fish and seconded by Mayor Coles. On **roll call**, all members present voted “**Yes**”. **Adopted.**

6. Awarding Professional Services Contract Bureau of Water Systems Engineering Water Master Permit Update 2022

This contract is for \$4,500.00 which is a decrease of 18% from last year.

- Resolution No. 21-105 Awarding Professional Services Contract Bureau of Water Systems Engineering Water Master Permit Update 2022
Motion was made by Mrs. Fish seconded by Mayor Coles. On **roll call** all other members present voted “**Yes**”. **Adopted.**

7. Awarding Professional Services Contract Hydraulic Modeling for 2022

This contract is a decrease from last year, anywhere between 2.2 and 6.25% depending on the development sizes.

- Resolution No. 21-106 Awarding Professional Services Contract Hydraulic Modeling 2022
Motion was made by Mayor Coles and seconded by Mrs. Fish. On **roll call**, all members present voted “**Yes**”. **Adopted.**

8. Awarding Professional Services Contract Connection Fees 2023

- Resolution No. 21-107 Awarding Professional Services Contract Connection Fees 2023
Motion was made by Mrs. Fish seconded by Mayor Coles. On **roll call**, all members present voted “**Yes**”. **Adopted.**

9. Well 7 Emergency Repairs

- Resolution No. 21-108 Awarding Contract Well 7 Emergency Repairs
Motion was made by Mayor Coles seconded by Mrs. Fish. On **roll call** all other members present voted “**Yes**”. **Adopted.**

10. PFAS Treatment for PFOA & PFOS MCLs

- Resolution No. 21-109 Awarding Change Order #1
Motion was made by Mrs. Fish and seconded by Mayor Coles. On **roll call**, all members present voted “**Yes**”. **Adopted.**

11. Shorrock Street Water Treatment Plant HVAC Replacement

- Resolution No. 21-110 Awarding Change Order #2
Motion was made by Mayor Coles seconded by Mr. Theibault. On **roll call**, all members present voted “**Yes**”. **Adopted.**

VIII. Attorney's Report
Business as usual.

IX. Executive Director's Report

1. Cleaning Services 2022

We received 4 proposals as follows: Building Stars for \$1,293, Total Cleaning Services for \$2,400, our current company Quality Facility Solutions for \$2,795.51 (reduced from 2021) and another company for \$2,930. We would like to set aside the lowest proposal as that company was originally awarded the contract for 2021 and rescinded after as they did not show up several times but more importantly were in breach of our security protocols. The second lowest is a company we are unfamiliar with and as I mentioned our utmost concern is the company's ability to comply with our security protocols. Therefore, we recommend that we award the contract to the third lowest bidder, our current company QFS for \$1,800 less annually than last year.

Senator Singer agreed with Mr. J. Flancbaum's recommendation since it's important we have somebody who does a nice job for the security of our personnel and they're happy with the services.

- Resolution No. 21-111 Awarding contract for Cleaning Services 2022 Awarding Contract for snow clearing services winter 2021-2022
Motion was made by Mrs. Fish seconded by Mayor Coles. On **roll call**, all members present voted **"Yes"**. **Adopted.**

2. Risk Management Consultants Agreement 2022

Tabled for next month since we haven't received the JIF Assessment yet and the risk managers prices are a percentage of the JIF Assessment.

X. Technical Operations Report

Operations Dept.:

1. Well's 3 & 19 have been fully repaired and modified to vertical turbine motor systems with well #3 pump tested and shut for the winter and well #19 placed back into full production. Well #7 is currently under repair and awaiting parts in order to modify and convert it to a vertical turbine motor system as well.
2. The Authority has received both new pickup trucks, one F150 and one F250 which are in the process of getting their emergency and other equipment installed.

Technical Operations Dept.:

3. All SCADA and Communications systems are up and running.
4. Installation work has begun with the in-house installation of the surge protectors for all vulnerable SCADA RTU analog input/output circuit loops.

IT Dept.:

5. The replacement of four employee's desktop computers were replaced with new systems as the old ones had reached their useful life cycle.

6. A new UPS back up battery system was installed for the Admin.'s server system and any old servers and surplus equipment was purged from the server racks and had their hard drives and system memories destroyed and the devices were prepared for recycling.
7. Leon scheduled service and routine inspections for the Admin. Elevator and processed a third party vendor agreement with Otis elevator company having to do with a service contract.

GIS/Cyber-Security Dept.:

GIS:

8. Finalized the review of ownership and fee's pertaining to fire hydrants.
9. Working on meter repair tracking program for the billing dept.

Cyber-security:

10. Obtaining additional information regarding the Purdue cyber-security apprenticeship program grant.

Senator Singer asks Mr. Robbins if we are going out into the field to replace meters? Everybody else is going back in so we've got to go back in and get caught up. Unfortunately, some people are being billed the minimum payment.

Mr. Robbins said yes, we are going back into people's homes and we are taking precautions. We have quite a few repairs and it's going to take some time to get caught up.

XI. Commissioners' Report

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

XIV. ADJOURNMENT

A **motion** was made by Mrs. Fish, seconded by Mayor Coles to adjourn meeting. **On roll call**, all members present voted **"Yes"**. The meeting was adjourned at 10:35 A.M.

Respectfully submitted,

Robyn Gray,
Secretary, LTMUA