



Board of Commissioners
Senator Robert Singer, Chairman
Mayor Raymond Coles, Vice Chairman
Craig Theibault, Treasurer
Anne Fish, Assistant Secretary
P. G. Waxman, Commissioner
Samuel Flanbaum, Alt. Commissioner
Meir Lichtenstein, Alt. Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

June 4, 2019

- 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 19, 2019 and The Tri Town News on February 20, 2019.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On roll call the following Commissioners were present: Mr. Lichtenstein, Mr. S. Flanbaum, Mr. Theibault, Mayor Coles, Mrs. Fish and Senator Singer. Mr. S. Flanbaum was seated as an alternate. The following professionals and key personnel were present: Mr. Adam Pfeffer, Esq., Mr. Gerwin Bauer, Auditor, Mr. Justin Flanbaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Adam Ponsi, P. E., Mr. Robert Farina, Director of Operations and Mrs. Nechama Lapa, Secretary.
- V. **Minutes**
A **motion** to approve the minutes of the Regular Meeting held on May 7, 2019, was made by Mr. Theibault and seconded by Mr. S. Flanbaum. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

Senator Singer said that Item no. 1 on the engineering agenda, Update of Rules and Regulations will be put on hold. There are issues that need to be discussed in closed session.
- VI. **Chief Financial Officer Report**
 1. **Financial Results Review For Period Ending May 31, 2019**
The Authorities net position for the period ending May 31, 2019 is approximately \$1.2 Million. This is approximately \$142,000.00 ahead of the budget. The Authority's operating revenue is approximately \$5.9 Million. This is approximately \$116,000.00 ahead of the budget. This is being driven by the water and sewer service charges. The

LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

390 NEW HAMPSHIRE AVENUE, LAKEWOOD, NEW JERSEY 08701
PHONE (732) 363-4422 | FAX: (732) 905-0712 | WWW.LAKEWOODMUA.COM

Authority's expenses through May 31, 2019 are approximately \$4.6 Million. This is slightly behind the budget by around \$18,000.00. The expenses are in line with where it is expected at this time of the year.

Mr. Waxman arrived at 10:04 A.M.

Mr. Rappoccio asked Mr. Bauer to give the commissioners an update of the Audit.

2. **Audit**

Mr. Bauer said that the Audit is going well. Mr. Rappoccio and his staff are doing an excellent job. Mr. Rappoccio put in all the adjustments. The only item that is pending is the actuarial reports for the Pensions. The PERS reports just came out and we do have it now. It should save the Authority approximately \$10,000.00 a year going forward. The State has an actuarial report out for the Health Benefits Plans. After many discussions with Aon, Mr. Bauer believes the Authority will be able to use those actuarial reports for its own needs, going forward. There will be a slight bill from Aon this year for the set up. In future years there should not be actuarial reports regarding the health benefits plan. Hopefully we will get the Audit results in the next months or so. Recording the new actuarial report for the health benefits plan is basically going to wipe out the Authority's unrestricted funds. Mr. Waxman asked what should be done to make it grow again. Mr. Bauer said it will grow again. It is common across the board. The Fire Districts that have reported the pensions are having major deficits in the fund. The Authority is close to zero. This doesn't change anything with the cash accounts. Senator Singer said that the Authority has to put aside money in the future budgets for it. Mr. Bauer said that when you compare the new actuarial reports to the older actuarial reports, it looks like the Authority will have to put aside \$400,000.00 a year for the future health benefits for retirees. Now the Authority is putting aside \$200,000.00. There are a lot more employees since the last report was done. Senator Singer asked Mr. Rappoccio to look at the Township Health Plan, to do an analysis. Senator Singer said he is dissatisfied with the State Health Plan. Mr. Bauer said that if you go with a different health insurance plan, you will have to pay to have the actuarial study done. Senator Singer said the Township is having it done for themselves, they can include the Authority.

Mr. Waxman was seated and Mr. S. Flancbaum is no longer serving as an alternate.

3. **Motion to Approve Operating Vouchers**

Mr. Rappoccio provided the commissioners with a list of abstentions. The amount for the Operating Expense Vouchers is \$454,904.14. A **motion** to approve operating vouchers in the amount of \$454,904.14 was made by Mayor Coles, seconded by Mrs. Fish. On **roll call**, all members present voted, "Yes" with **noted abstentions**. **Motion Carried.**

VII. **Engineer's Report** **Mr. Ponsi's Report**

1. **Update of Rules and Regulations**

- Motion Approving Addendum No. 33
Will be discussed in closed session.

2. **Covington Village (TFE Properties, LLC – Tajfel)**

- Resolution Granting Technical Approval
On May 29, 2019, the Authority received a new submission package for Covington Village separating out the two developments there for the new buildings. At this time the

Authority may grant Covington Village technical approval conditioned on the GTS review letter dated May 29, 2019. Mrs. Lapa read **Resolution No. 19-52 Grant of Technical Approval Covington Village**. Motion was made by Mayor Coles, seconded by Mrs. Fish. On **roll call**, Mayor Coles, Mr. Waxman, Mrs. Fish and Senator Singer voted **“Yes”**. Mr. Theibault abstained. **Adopted**.

3. Somerset Run (Albert Street Holdings, LLC – Mordy Schron & Abe Auerbach)

- Resolution Granting Final Approval

On May 16, 2019 T&M Associates issued technical review no. 6 and final review no. 3. At this time the Authority may grant final approval for the Somerset Run Development conditioned on the T&M review letter dated May 16, 2019. Mrs. Lapa read **Resolution No. 19-53 Grant Of Final Approval Somerset A.K.A. Albert Run**. Motion was made by Mr. Waxman, seconded by Mayor Coles. On **roll call**, all members present voted **“Yes”**. **Adopted**.

4. Joe Parker School II (Congregation Tiferes Shulem, Formerly Chinuch Labonos – Berel Leifer)

- Resolution Releasing Performance Guarantees

Majority of the work was completed. On May 15, 2019 the Authority received a request from the applicant to release the performance guarantees for the sanitary sewer main extension. On May 30, 2019 the Authority issued a letter detailing the conditions for release for the performance guarantees. At this time the Authority may release the performance guarantees conditioned on the Authority letter dated May 30, 2019. Mr. Waxman questioned what will be their incentive to complete the work. Mr. Ponsi responded that the guarantees will not be released until all the conditions are met. Mrs. Lapa read **Resolution No. 19-54 Releasing Performance Guarantees Joe Parker School No. 2**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On **roll call**, all members present voted **“Yes”**. **Adopted**.

5. Well 9 Emergency Repair 2019

- Resolution Declaring an Emergency to Repair Well No. 9
- Resolution Awarding Contract

On May 4, 2019 Well No. 9 went out of service. After an investigation it was determined there was significant iron build up, the CLA-Val was damaged and the pump and motor was determined that it needed to be replaced. On May 13, 2019 the Authority requested a proposal from Steffen Drilling to complete emergency inspection and repair work in the lump sum amount of \$31,000.00. On May 30, 2019 the Authority Engineer issued a memo indicating that the repairs of Well No. 9 are necessary for the health and safety of the public. At this time the Authority may issue a resolution declaring an emergency as recommended by the Authority Engineer as indicated in the memo dated May 30, 2019. Mrs. Lapa read **Resolution No. 19-55 Declaring An Emergency To Repair Well No. 9**. Motion was made by Mr. Waxman, seconded by Mayor Coles. On **roll call**, all members present voted **“Yes”**. **Adopted**.

At this time the Authority may award a contract under emergency conditions to Steffen Drilling for repairs at Well No. 9 in the lump sum amount of \$31,000.00. Mrs. Lapa read **Resolution No. 19-56 Awarding Contract To Repair And Replace All Necessary Items At Well No. 9 Pursuant To The Declaration Of Emergency**. Motion was made by Mayor Coles, seconded by Mrs. Fish. On **roll call**, all members present voted **“Yes”**. **Adopted**. Senator Singer asked what has to be done in order to prevent this from happening again. Mr. J. Flanbaum said that a schedule was made up that every two years we will pull pumps and motors from all the Cohansey Wells because the iron build

up is so intense. Previously it was done every three to four years. Neighboring Authorities are doing it every two years. Senator Singer asked if there was any treatment that can be done in the well housing to prevent the iron build up. Mr. Farina said the Authority does do some treatment on its own. There is a chemical that is mixed with the sodium hypochlorite and flushes it through the pipe lines. It was found that it was staving off major repairs. It gave the Authority six months to a year between the actual full maintenances. This is done in-house. As a matter of fact, at the end of this flushing period, when the raw water main is flushed, we will do the same with the raw water main. It seems to eliminate a lot of iron build up. Senator Singer asked how many wells does the Authority have from the Cohansey. Mr. J. Flancbaum said seven wells. Brick MUA has similar issues. Jackson MUA does not have any wells from the Cohansey.

6. Admin Building Renovation and Expansion (Addition)

- Resolution Awarding Change Order No. 2

On May 8, 2019 the Authority received change order request no. 2 from Bismark Construction in the amount of \$1,982.57 for removal of existing concrete found in the way of the new building footing. At this time the Authority may award change order no. 2 to Bismark Construction in the amount of \$1,982.57. Mr. J. Flancbaum informed the commissioners that Mr. Farrell is in but the DEP inspector came and he is busy with the inspector. Mrs. Lapa read **Resolution No. 19-57 Authorizing Change Order No. 2 Administration Building Renovation and Expansion.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On **roll call**, all members present voted **“Yes”**. **Adopted.**

7. Shorrock Street Water Treatment Plant HVAC Replacement

- Resolution Awarding Professional Services Contract

The Authority HVAC system at the Shorrock Street Water Treatment Plant is in need of replacement due to age. On May 31, 2019 the Authority received a proposal from Van Cleef Engineering Group for engineering, bidding and inspection services for the design and installation of a new HVAC system in the cost not to exceed amount of \$57,000.00. At this time the Authority may award a professional services contract to Van Cleef Engineering Group in the amount of \$57,000.00. Mr. Waxman questioned the high dollar amount. Mr. J. Flancbaum said that \$19,000.00 of it is budgeted for inspection. Inspections will be as needed. They estimate the job to take around ten weeks and will have a professional engineer a couple of times a week. But we think we will not need inspections less than a couple of times a week. Mr. Waxman asked if they come less, we will pay less. Mr. Ponsi said yes. Senator Singer said also we do not want them coming with change orders. Mrs. Lapa read **Resolution No. 19-58 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1 Et. Seq.** Motion was made by Mayor Coles, seconded by Mr. Theibault. On **roll call**, all members present voted **“Yes”**. **Adopted.**

VIII. Attorney's Report

Mr. Pfeffer said he has matters that need to be discussed in closed session

IX. Executive Director's Report

1. Resolution Awarding Contract for Landscape Maintenance Services for 2019

A Request For Proposals opening was held this morning. One proposal was received. It was from Meticulous Landscaping in the amount of \$3,285.00 per month for seven months. Total cost will be \$23,000.00. This is the same company that the Authority has

been using for the past four years and we are very happy with their service. Mrs. Lapa read **Resolution No. 19-59 Awarding Contract For Landscape Maintenance**. Motion was made by Mr. Waxman, seconded by Mayor Coles. On **roll call**, Mr. Theibault, Mayor Coles, Mr. Waxman and Mrs. Fish voted “**Yes**”. Senator Singer abstained.
Adopted.

2. Resolution Awarding Contract for the Purchase of a 9' Utility Body with Crane

A bid opening was held this morning for a nine foot utility body with crane. Two bids were received. One was from A and K Equipment Company for \$38,100.00. The second bid was from H.A. DeHart and Son for \$47,158.00. The low bid is not the exact product that was in the specifications. They submitted an equivalent. Mr. J. Flanbaum would like to take a look at it and make sure it will work for the Authority and come back next month with an answer. Senator Singer asked if there is a possibility that it might work. Mr. Robbins said he did not see the specifications yet for the alternative. He will look at it together with Mr. Farina.

X. Technical Operations Report

Field Operations Report:

1. Well Maintenance and Repair

Well No. 16 was successfully cleaned, maintained, televised and ultimately returned to service. Senator Singer asked if it is producing at the previous rate. Mr. Farina said it is back to normal. Well No. 9 also had the same work done. We are waiting for a new pump and motor replacement to arrive.

2. Shorrock WTP Lime Room Re-hab Update

As part of the Shorrock Street Water Treatment Plant lime room rehabilitation project, both of the lime tanks interiors were thoroughly sandblasted. Only one of the two tanks received its final chemical resistant epoxy coating. The other tank revealed an external hole caused by rotting, which was found by the contractor. We are currently in the process of making the repairs in house. After it is done, the contractor will come back to complete the work.

Technical Operations:

3. SCADA Computers

All SCADA and control systems are functioning well. The new replacement ICONICS SCADA client computers that support the local screen activity and memory operations at both Shorrock Street and New Hampshire Avenue Water Treatment Plants have arrived. The IT Department is in the process of setting them up. They are roughly one tenth the size of the original computers and are approximately one fifth of the original cost which is \$500 per unit for a total of three units. Technology is working in our favor.

IT Department:

4. SCADA Software Training Status

Mr. McBride is preparing the ICONICS SCADA computers for the server. He is also getting onsite training setup for this month as well for the ICONICS Genesis 64 software. Some of the operators are going to get involved in this. We can now do a lot of the maintenance ourselves.

5. Email Protection Status

The DMARC email authentication protocol implementation is completed. This will help protect our domain from cyber threat activities.

6. Network As-Build Diagrams

All of our internal network infrastructure as-build diagrams have been updated and stored on the server.

GIS Department:

7. Flushing Data Information Collection

Information was collected from the present flushing effort and a list was compiled along with a map identifying fire hydrants in need of repair and or replacement. This was forwarded to the Operations Manager for the upcoming hydrant repair/replacement project. Senator Singer asked approximately how many hydrants need to be replaced. Mr. Robbins said around thirteen hydrants. Senator Singer asked what is done with the old hydrants. Mr. Farina said if they are salvageable they are broken apart for parts.

8. Easement Mapping Status

Support was provided to the Executive Director and Engineering offices with maps of several areas relating to easements and facilities.

9. GIS Hardware Support

Troubleshooting and support was conducted for Field Operations hardware devices.

Senator Singer asked Mr. J. Flancbaum for an update on the Administration Building Addition construction. He would like a monthly update. Mr. J. Flancbaum said that it is around one month ahead of schedule. Yesterday the steel ring beam for the second floor was installed. A lot of fabrication is done off site, including the walls for the second floor. Senator Singer asked when they are planning to put the roof on. Mr. J. Flancbaum said that they will be putting on the second floor over the next two weeks. Senator Singer said to make sure the HVAC system is done properly. Mr. J. Flancbaum said he made a note on it. Regarding the two sewer main extension projects, the reviewer at NJEIT left at the end of the review. NJEIT got a different reviewer, she asked for some additional information. We gave it to her. Hopefully we should be receiving approval from NJEIT soon. Mr. Ponsi said that Mr. Farrell told him this morning that he received an email saying that it was approved. It was not a formal letter. Mr. Theibault suggested taking videos of the construction, things in the walls, ground etc. It might be a benefit in the future. Mr. J. Flancbaum agreed. Senator Singer said a picture is worth a thousand words. Mr. J. Flancbaum said we might even have pictures already.

XI. Commissioners' Report

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

XIV. CLOSED SESSION

Senator Singer asked for a closed session for litigation and possible litigation. The meeting went into closed session at 10:25 A.M. Mrs. Lapa read **Resolution No. 19-60 To Go Into Closed Session**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote** all members present voted "**Aye**". **Adopted**.

XV. OPEN SESSION

Motion was made by Mr. Waxman, seconded by Mayor Coles to go back into open session at 10:54 A.M. Senator Singer said that pending litigation and possible litigation was discussed. At this time there is nothing to be said. When it is concluded it will be disclosed. No action is being taken as of now. Mr. Pfeffer said we will carry the first item on the engineering agenda, the update of the Rules and Regulations.

XVI. ADJOURNMENT

A motion was made by Mayor Coles, seconded by Mr. Waxman to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:55 A.M.

Respectfully submitted,

Nechama Lapa,
Secretary, LTMUA