

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

December 3, 2013

- I. Mr. Coles opened the meeting at 10:04 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 11, 2013 and The Tri Town News on February 13, 2013.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. Sernotti, Mr. Coles and Mr. Waxman. The following professionals and key personnel were present: Mr. Norman Smith, Esq., 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 November 6, 2013, was made by Mr. Sernotti and seconded by Mr. Waxman. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

Mrs. Fish and Mr. Theibault arrived at 10:05 A.M. Mr. Theibault was seated as an alternate.
- VI. **Accountant's Report**
Mr. Bauer reported that financially everything is going well. The books were closed through October. There was a little glitch with the change of personnel and some of the programming. With the assistance from Edmunds, the problem was rectified. Mr. Bauer

said he has the Budgets. Mr. Flancbaum said the Budget Committee met in Senator Singer's office last week. In attendance was Senator Singer, Mr. Theibault, Mr. Bauer, Mr. Morrill and himself. The Capital Improvement Budget has not changed much over the last couple of years. Many of the projects will be completed over the next several years. The Budget Committee looked at the draft and gave their approval. With the approval of the Commissioners, we will send the Budget to the State. Mr. Bauer said that the Operating Budget that the Commissioners have seen a few months ago has not changed much. Salary increases, new hires that are being anticipated and the new debt service are included. The Authority is within the requirements with the three percent increase that went into effect in November 1st. Mr. Bauer said he thinks the Authority will be okay this coming year. Mrs. Lapa read **Resolution # 13-125 2013-2014 Water Budget Extension**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On **roll call**, all members present voted, "Yes". **Adopted**. Mrs. Lapa read **Resolution # 13-126 2013-2014 Sewer Budget Extension**. Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On **roll call**, all members present voted, "Yes". **Adopted**. Mrs. Lapa read **Resolution # 13-127 2014 Water Operation Lakewood Township Municipal Utilities Authority, Authority Budget Resolution**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On **roll call**, all members present voted, "Yes". **Adopted**. Mrs. Lapa read **Resolution # 13-128 2014 Sewer Operation Lakewood Township Municipal Utilities Authority, Authority Budget Resolution**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On **roll call**, all members present voted, "Yes". **Adopted**.

VII. Engineer's Report

1. New Hampshire and Oak Warehouse

- Resolution Granting Technical Approval

There is letter from the Authority dated November 18, 2013 detailing the commercial/industrial review of this project. It does require the signature of the Authority's Executive Director because it exceeds 2000 gallons per day. Mrs. Lapa read **Resolution # 13-129 Off Site Water Main Grant of Technical Approval New Hampshire and Oak Warehouse**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On **roll call**, all members present voted, "Yes". **Adopted**.

Mr. S. Flancbaum arrived at 10:10 A.M.

2. RFQs for Engineering Services for Calendar Year 2014

- Resolution Accepting Qualifications

On November 14, 2013 at 11:00 A.M. the Authority received submissions from sixteen engineering firms. Mr. Flancbaum said this is done annually. This provides the Authority with a list of engineering firms to choose from based on expertise and specialty. Mr. Waxman asked if the Authority has to go with the lowest fees. Mr. Flancbaum said no. This is for professional services. Mr. Smith explained that this is an alternative practice to formal bidding in certain types of contracts including professional services. This has been around for the past eight to nine years. There is also a practice called Competitive Contracting. You advertise for Request For Qualifications and rates. You decide which ones you would like to be put on the approved list. You advertise them. The rest of the year you award the contracts as you wish to an engineering firm from the list. Mr. Waxman asked if you can use a firm that is not on the list. Mr. Smith said you can but you have to do formal bidding. Mr. Theibault asked how the rates

compare to one another. Mr. Morrill said that the rates are closely aligned with one another. When there is a specific project we may go further and look at the resumes to see which firm has the expertise in the areas that is needed. Mr. Smith said that is the beauty of this. You can pick the most appropriate firm for the project. Mr. Waxman asked about the charges. Mr. Morrill said that the fees are fixed by the proposals. When they submit proposals, the firms are required to put in the proposal that their rates are consistent with the RFQ that they submitted. This makes sure that they meet the Fair and Open requirements. Mr. Waxman asked if they can mark up the materials a certain percentage to make money. Mr. Flancbaum said no, only for reimbursable postage, transportation etc. Mr. Morrill said that at this time the Authority may approve the qualifications conditioned on the review of the Authority Engineer and the Authority Attorney. Mrs. Lapa read **Resolution # 13-130 Accepting Submissions In Response To Request For Qualifications For Engineering Services For 2014**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

3. Bureau of Safe Drinking Water Master Permit Update 2014

- Resolution Awarding Professional Services Contract

The Authority has a proposal from Hatch Mott MacDonald. They have been preparing this permit since 2010. This year the amount of the proposal is \$4,800. This is a \$100 increase. Mrs. Lapa read **Resolution # 13-131 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 **roll call**, all members present voted, "**Yes**". **Adopted**.

4. Hydraulic Modeling for 2014

- Resolution Awarding Professional Services Contract

This proposal is for the benefit of applicants. This is from Hatch Mott MacDonald. There is a range of costs based on the size of the application. This is not a cost to the Authority it is a direct pass through to the applicants. They do not have to utilize this service. But if they want to use the Authority's Hydraulic Modeling for their application, this gives them a price range so that they know how much it will cost them. This is also an increase of approximately \$100 over last year. Mrs. Lapa read **Resolution # 13-132 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 Mrs. Fish. On **roll call**, all members present voted, "**Yes**". **Adopted**.

5. Regulatory Compliance Assistance 2014

- Resolution Awarding Professional Services Contract

This is from Hatch Mott MacDonald. They have been doing Compliance Assistance for the Authority for the last four years. The Authority has been very happy with their work. This proposal is for \$21,000. This is a \$3,000 increase over last year's budget, principally due for the work for Well No. 17. Well No. 17 is an ASR Well and requires more compliance. Mrs. Lapa read **Resolution # 13-133 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 **roll call**, all members present voted, "**Yes**". **Adopted**.

6. GIS Updates 2014

- Resolution Awarding Professional Services Contract

This is an estimate for work that will be required to update the Authority's GIS Mapping and Database. It is from GTS Consultants. It is an hourly rate, cost not to exceed \$22,250. Mr. Waxman questioned how much it was last year. Mr. Morrill said he thinks it was around \$21,000 last year. It is an hourly rate. This year, if it exceeds \$22,500 they will have to come back to the Authority for approval. It is really a budget item. Mrs. Lapa read **Resolution # 13-134 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 **roll call**, all members present voted, "**Yes**". **Adopted.**

7. As-Built Drawings for Residential Applications 2014

- Resolution Awarding Professional Services Contract

This is if and where needed. The cost is \$985.50 if inspection work is included and \$669.50 if inspection work is not included. This is also through GTS Consultants. This is for individual residential applications. Mrs. Lapa read **Resolution # 13-135 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. Sernotti. On **roll call**, all members present voted, "**Yes**". **Adopted.**

8. Well 2 ASR Well Repair

- Resolution Awarding Professional Services Contract

This is for Hatch Mott MacDonald. It is in the amount of \$9,800. This is for design and through bidding services. It does not include construction services. When Well No. 2 was reinstalled last year, problems were found with the pump. It had a vibration problem. Several ideas were tried to resolve the problem. Mr. Morrill met with a well driller and discussed it with two engineers. It looks like the best solution is to go from a vertical turbine pump to a submersible pump. This will give a little more room. Well No. 2 was drilled back in 1960's and the main line is not exactly plumb. At this time they would like to correct another issue with this well. Well No. 2 is an ASR Well. When the well is recharged there is air entrainment. When the well is started up in the spring time, for about the first four weeks the water looks almost milky. It is not harmful. It just has air in it. Some of the residents do not like it and they are worried that there is something in the water. This is for the design services. Until we get the design established, we will not know the construction requirements. At that time, we will come back. Mrs. Lapa read **Resolution # 13-136 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 Mrs. Fish. On **roll call**, all members present voted, "**Yes**". **Adopted.**

9. Cellular Antennas

- Resolution Awarding Bid

Bids were received on November 26, 2013. One bid was received from Cellco Partnership DBA Verizon Wireless in the amount of \$30,000 per year. The Authority has a letter from the Authority's attorney dated November 27, 2013 detailing the review of the bid. It indicates that the bid is in compliance. At this time the Authority should award the bid to Cellco Partnership. Mr. Flancbaum said he received a call from Landmark Dividends. They are the company that bought the Authority's cell lease easements last year. They are interested in purchasing the lease. Mr. Flancbaum told them to give the

Authority an offer and then it will be considered. Mrs. Lapa read **Resolution # 13-137 Award Of Bid For The Installation Of Cellular Equipment At The Ridge Avenue Water Tank**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

10. Repair and Replacement of Sanitary Sewer on Redondo Lane Phase I and Phase II – Project Status

November was a good month. On November 14, 2013 all the connections of the water services were finished. Also the testing for the sanitary sewer main and manholes were completed. All the dewatering equipment were removed and they are in the process of cleaning the site. The only construction that they are finishing up is the installation of a storm sewer which was in conflict. It was resolved with a new design. The Authority is still in negotiations with the contractor. Rather than repairing the trench he is working a proposal on repaving the entire roadway. Hopefully the numbers will be close so we will be able to repave the street. The Township engineer told the Authority that the trench repair requires six inches of base and then coming back and milling it back out and then patching it. If the whole street is repaved we can go with three and one half inches of base through the winter and then put in an inch and one half of top and finish it off in the springtime. That should be a much better job. We are hoping that they will come back with a good number, but we do not have that yet. Mr. Flancbaum said that in order to do a good job and a nice job for the residents, the entire street should be paved.

11. Brick Township Municipal Utilities Authority Interconnections – Project Status

The pumps are installed. The wiring is not yet complete. They are still working on wiring up the pumps and our SCADA equipment. The IT Department will discuss that. They are working on the programming that is required and we hope to have it wrapped up by the January 1st, 2014.

12. Wells #5 & #8 Relocations and Redrilling – Project Status

They are now designated as Wells No. 18 and 19. Well No. 18 is going very well. They plan on setting the screens and pipework to be completed by January 2014. The DEP requires fifty feet of casing for Well No. 5. In order to put that in, we would block off part of our aquifer. We are in the process of negotiating with them on exactly how to solve that problem. It looks like we may bring in some fill material to raise the site. The discussion is how much fill do we want to bring in and as opposed to how much of the aquifer we want to block off. Mr. Smith questioned if the fifty feet will be above ground. Mr. Morrill said yes. We need approximately seven feet of fill. They are saying that if we bring in approximately five feet, we will be able to draw down out of the aquifer and it will not really impact the well. They feel that if we do not bring it up at least the five feet it will actually impact the yield of the well. Right now we are negotiating how to make this DEP mound work for them. Mr. Waxman questioned if there is no longer number five and number eight. Mr. Morrill said the numbers are changed. The Authority is abandoning Well No. 5 and Well No. 8. The yield had gone down to the point where they are not much use to the Authority. They are down to around 100 gallons per minute. We are hoping to bring them back at least 300 gallons per minute. Mr. Morrill said he hopes Well No. 8 will come back even higher. Mr. Theibault asked where these sites are located. Mr. Morrill said that Well No. 8 is on Shorrock Street. The new wells are within 100 feet of the old wells. Because they are replacement wells, it is mandatory that they be located within 100 feet. There is legislation to make it 200 feet, but that has

been delayed for approximately five years in the State. Mr. Waxman questioned what the advantage of making greater distances is. Mr. Morrill responded that if greater distances would be allowed then the well could have been located across the street. There is more flexibility of where to locate the well. Mr. Smith said the question is what constitutes a replacement well. Mr. Morrill said that if you move it more than 200 feet it is a new well and it will take approximately two years. Mr. Morrill said that there was a discussion what if the Authority abandons the well and transfers the allocation to another well site. Then you have a major modification which takes approximately two years to get through. This is considered a minor modification which should take about four months, but usually closer to eight to twelve months to get through. Mr. Theibault questioned where Well No.19 is located. Mr. Morrill said that Well No. 19 is Well No. 5 which is right across from the ball field. It is on New Hampshire Avenue. That is the one that the Authority had a land swap in Industrial Park. It is now in a little hole. Putting up a little mound will not be that noticeable. Besides, if it is needed, it will be done.

VIII. Attorney's Report

New Jersey Business Systems Lawsuit - Mr. Smith said he filed the lawsuit in Superior Court against New Jersey Business Systems. He is waiting for the docket number. At that time he will serve New Jersey Business Systems with a summons. Mr. Smith wants to thank the staff. He had to review three years of meeting notes that were taken by the engineering department and the IT department including emails and letters sent back and forth to Mr. Flanbaum to put together the factual basis. It took many meetings and everyone was very helpful. Now there is an exhausted and accurate complaint. Mr. Waxman asked what the amount is. Mr. Smith said he is asking for essentially to return everything the Authority paid them which is roughly \$260,000. Mr. Smith said he has eight different counts in his complaint. One is consumer fraud which allows collecting treble damages. That would raise it to \$750,000 plus attorney fees. Mr. Waxman asked who is representing New Jersey Business Systems. Mr. Smith said he does not know yet.

IX. Executive Director's Report

Mr. Flanbaum said that before he begins his report he would like to introduce Rochelle Miller, the new billing clerk. She is from Freehold, NJ. Ms. Miller was previously employed by Bloom Organization in West Long Branch, NJ for the last four years. The Bloom Organization relocated to Miami, FL and Ms. Miller chose to stay in New Jersey. Ms. Miller has been here for approximately two weeks and we wish her luck. The commissioners welcomed her.

1. Resolution awarding Risk Management Agreement for 2014 to Conner Strong & Buckelew

As in previous years, their fee will be six percent of the annual assessment of the JIF. The Authority's annual assessment is \$74,326.56. The Risk Management fee is \$4,459.59. Mr. Flanbaum recommends awarding the contract to Conner Strong and Buckelew. The Authority is very happy with them and their price is extremely reasonable. Mrs. Lapa read **Resolution # 13-138 Awarding Risk Management Consultant Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-5(1)(a)(i)**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On **roll call**, all members present voted, "**Yes**". **Adopted.**

- 2. Resolution amending the Authority's Flexible Spending Account Plan**
The previously adopted Flexible Spending Account has a Use Or Lose Rule. Unless unused money is spent within seventy five days after the calendar year, you lose your contributions. The new plan will allow the employees to carryover \$500 to the following year. This is an option and it is capped at \$500. Mrs. Lapa read **Resolution # 13-139 Amending The Authority's Flexible Spending Account Plan**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On **roll call**, all members present voted, "**Yes**". **Adopted**.
- 3. Resolution awarding contract to Computer Software Inc. for Total Care Agreement for 2014**
The contract amount is \$14,256.82. This is the same as last year. They said that there is no need to increase the price as in previous years because a lot of the work they have been doing is being handled internally with our IT Department. CSI has always provided excellent service as our IT Consultant and Mr. Flancbaum would like to have the contract renewed for the coming year. Mrs. Lapa read **Resolution # 13-140 Awarding Contract For Technical Support And Maintenance Of Computer Hardware And Operating Systems**. Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On **roll call**, all members present voted, "**Yes**". **Adopted**.
- 4. Resolution awarding contract to Gavan General Contracting, Inc. for Interior Office Fit Up**
Mr. Waxman, Mr. Sernotti and Mr. Theibault did not take part in this discussion. Mr. S. Flancbaum was seated as an alternate.

On November 26, 2013 there was a proposal opening for Interior Office Fit Up for the new CFO and IT office. There was one proposal from Gavan General Contracting in the amount of \$21,700. Mr. Flancbaum said he and the Authority engineer reviewed the proposal and recommend awarding the contract to Gavan General Contracting. Mrs. Lapa read **Resolution # 13-141 Awarding Contract For Interior Office Fit Up**. Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On **roll call**, Mr. Theibault, Mr. Sernotti and Mr. Waxman abstained. Mr. S. Flancbaum, Mr. Coles and Mrs. Fish voted, "**Yes**". **Adopted**.

Mr. S. Flancbaum is no longer seated as an alternate.
- 5. Resolution ratifying phone poll of November 19, 2013 authorizing rebid of fire and security alarm project**
Mrs. Lapa read **Resolution # 13-142 Resolution Ratifying Phone Poll Of November 19, 2013 And Authorizing New Solicitation Of Bids For The Fire Alarm And Security System Upgrades**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.
- 6. NJDEP Annual Inspection**
On November 14, 2013 the Authority had the Annual NJ DEP Inspection. The inspector this year was new. Her name was Laura Dougherty. The previous inspector has moved to a different area in the State. She was accompanied by Mr. McGregor, the Operations Manager. The Authority has not received any formal report. But verbally she conveyed to Mr. McGregor that the facilities and the reports are in great shape. Mr. Flancbaum

would like to thank Mr. McGregor and his staff. The formal written report is expected shortly from the DEP.

7. Receipt of Funds - Cell Lease Easement Purchase

Earlier this year, the Authority sold the Cell Lease Easements. There was \$226,398.17 which was held in Mr. Smith's escrow account pending completion of Sprint's site on Airport Road. Now that it is completed, the Authority has received the funds from the escrow account.

8. NJUA-JIF Annual Dividend

The Authority will be receiving a dividend from the JIF in the amount of \$5,212.41. We have opted to have the dividend credited against the annual premium.

9. Salary Increases – Will be discussed in Closed Session.

X. Instrumentation/IT Department Report

Mr. Farina reported that the initial electrical conduit and RTU enclosure installation was completed last Tuesday for the Shorrock Street Water Treatment Plant SCADA equipment conversion.

The two concrete pads were poured to facilitate the last two equipment houses having to do with the Well No. 15 and Beacon Hill Tank sites. A building will be constructed at the Well No. 15 location on December 6, 2013. Shortly afterwards a prefabricated building will be placed at the Beacon Hill Tank site. We will now begin switching over to the GE PLC SCADA equipment and removing the outdated equipment as well.

We are currently working on the completion of the SCADA programming for the Brick Township MUA water interconnection at Leisure Village East. Once the electrician has completed his wiring runs, we will complete the final terminations to SCADA. Mr. Farina projects that this work will be completed next week. At that point sewage and fresh water will be completed and totally under SCADA control at that location.

In the past month, a motion detector camera was set up on the vehicle gate. This camera records when there is motion and allows employees inside the Operations Building to see who is at the gate. Everything is recorded as well. Mr. Farina directed everyone's attention to a live feed up on the screen.

The new phone system is progressing and is expected to be completed by next week.

We are continuing to move towards paperless meetings with the kindle reader that was set up as a prototype. Mr. Waxman wanted to know if the kindle will have all the documents or just the agenda. Mr. Copeland said there are some documents in there. The plan was to see how this went as a prototype. If it went well and was received well, it can certainly have all the documents in the kindle. Mr. Waxman asked if there will be a hard copy still at the meeting. Mr. Flancbaum said yes, there will always be a hard copy.

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

A **motion** was made by Mr. Waxman and seconded by Mr. Sernotti to approve the Operating Vouchers in the amended amount of \$1,067,440.74. On **roll call**, all members present voted, "**Yes**". **Motion passed.**

XV. CLOSED SESSION

A **motion** was made by Mr. Waxman, seconded by Mrs. Fish to go into closed session to discuss personnel at 10:39 A.M.

XVI. OPEN SESSION

At 10:54 A.M. the meeting went into open session. Salary guidelines were discussed in closed session. A **motion** was made by Mr. Waxman and seconded by Mrs. Fish to implement the salary guidelines discussed during closed session. On **roll call**, all members present voted, "**Yes**". **Motion passed.**

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 10:55 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA