

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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



THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

March 6, 2012

- I. Senator Singer opened the meeting at 10:12 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 10, 2012 and the Tri Town News on February 16, 2012.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. S. Flancbaum, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. Mr. S. Flancbaum was seated as an alternate. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Gerwin Bauer, Jr. Auditor. Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation/IT Department Supervisor.
- V. **Minutes**
A motion to approve the minutes of the Annual Reorganization Meeting on February 7, 2012, was made by Mr. Coles and seconded by Mr. Waxman. On a **voice vote**, all members present voted "**Aye**". **Motion carried.** A motion to approve the minutes of the Regular Meeting on February 7, 2012, was made by Mr. Waxman and seconded by Mr. Coles. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**
- VI. **Accountant's Report**

Mr. Bauer, at the request of Mr. Coles, prepared a schedule. Mr. Coles explained the reason he asked Mr. Bauer prepared the schedule. On the Township level there was talk that the Authority had a lot of money in reserve. There was early discussion of possibly the Township capturing some of that money for its budget. Mr. Bauer prepared a schedule showing exactly what the Authority has, that the Authority does not have an extraordinarily large amount of surplus. Any money that the Authority has is basically set aside for projects that are being done now and projects that will have to be done in the near future. Mr. Coles said he thinks that the Township coming to the Authority for funds is over. Senator Singer said the Authority acquired some of the money from different venues over the years and the Authority is using it for the system. Had the Authority not had the funds, some of the improvements would have not been done. Also, the rates would have to have been higher. The Authority subsidized the rates for a couple of years. The Authority would have gladly given the money to the Township if the Authority had money. Mr. Bauer said that the schedule shows that at the end of five years the reserve will be down to just close to \$2,000,000. The cost for Leisure Village issues may be close to \$1,000,000. Putting in the Route 88 sewer main extension and elimination of the pump station will cost close to \$2,000,000. Potentially at the end of five years, the Authority will not have any reserves. This does not take into account the growth that will happen. A minor growth was built in. The growth in Lakewood is supposed to be very high. Hopefully this will generate more reserves as consumption grows. The schedule takes all the bond issues and expenditures into account. The expenditures are based on the budgets sent to the DCA. Senator Singer said that the Authority has an aging system and the recent projects had to be done. The Toms River MUA only does sewer and has a \$22,000,000 surplus. The Toms River Township is always looking to their Authority for cash.

VII. Engineer's Report

1. Woodlake Sanitary Sewer Improvements

- Resolution Granting Technical Approval for the Woodlake Sanitary Sewer Improvement Plans

Mr. Morrill wants to grant technical approval so it can get to the State as soon as possible because of pending construction. This is the reason that there is no letter, only two verbal reviews. The engineer came in and the reviews were done in-house. Mr. Morrill plans on having a letter ready in the next couple of days. A meeting was held on January 9, 2012 and February 27, 2012. The concerns of the Authority are being addressed. The resolution should be passed pending that on the condition that all items in the forthcoming review letter are addressed and upon review of the Authority attorney. Mrs. Lapa read **Resolution # 12-40 Off Site Water Main Grant of Technical Approval Woodlake Sanitary Sewer Improvement Plans**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **Roll Call**, all members present voted, "**Yes**". **Adopted**.

2. Update of the Authority's GIS System

- Resolution Awarding Professional Services Contract

The Authority has a proposal from GTS for \$17,240.00 for the first phase of the project. The Authority is marking all the curb stops as part of the meter

replacement program. This is the perfect opportunity to gather information while it is being marked out. GTS will send out a survey crew. Approximately one fifth of the Authority's service area is being done. Mr. Morrill said he did not want to give them a contract for the whole amount at this time. He would like to see how much the costs will be and if it is not exorbitant, the Authority will issue another contract. Mrs. Lapa read **Resolution # 12-41 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 **Roll Call**, all members present voted, "**Yes**". **Adopted.**

3. Shenandoah Manor

- Resolution Accepting Terms of the Developer's Agreement

In the packet is the Schedule B for the Developer's Agreement. The rest of the agreement is standard boiler plate. The terms of the agreement are that the developer will build all off site and on site water and sewer systems and turn them over to the Authority. The Authority will not contribute and the developer will pay all connection fees. Mrs. Lapa read **Resolution # 12-42 Authorizing the Terms of the Developer's Agreement Shenandoah Manor Subdivision.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On **voice vote**, all members present voted, "**Aye**". **Adopted.**

4. New Hampshire Avenue Treatment Plant

- Resolution Awarding Change Order #5

In the packet is a list of items that were completed in February. The change order is for \$5,717.00. This includes relocation of the water service, changing to electric hand dryers and replacement of a lighting panel. They might be finished not much later than the April 1st deadline. The project was held up because of various items such as not ordering the items in a timely fashion. They are doing well with putting in the piping. All the piping is installed. Now they are waiting for control panels. Senator Singer asked if the project is a few weeks away from restoration of the grounds. Mr. Morrill said that probably will not be done till fall. There still some pipes that needs to be installed in the yard. Mr. Morrill said he is forcing them to concentrate all their efforts on getting the plant and Well No. 7 and 17 operational. On Well No. 7 and Well No. 17, we are waiting for them to finish the roof so the electric can be done on the inside. It is disappointing. There will be a meeting with them today in the afternoon. They have been increasing their staff slightly, but we are pushing them even further. In the packet there is a letter that was sent to them indicating to them that they have to increase their effort and manpower. They have been working every Saturday. Senator Singer was wondering why they just do not bring in more workers. Mr. Flancbaum said that they have brought in some more laborers and also, a full time project manager in addition to the full time superintendent,. This increases the coordination efforts. Mr. Morrill said that the HVAC will be worked on throughout the summer. The environmental controls will not be in place. Hopefully, the equipment that will bring water into the building will be operational. Senator Singer asked what is holding up the roof on the well houses. Mr. Morrill said that they are waiting for the trusses. It seems like they did not order the trusses in a timely fashion. Mrs. Lapa read **Resolution # 12-43 Authorizing Change Order**

No. 5 Expansion and Upgrades New Hampshire Avenue Water Treatment Plant. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **Roll Call**, all members present voted, "Yes". **Adopted.**

5. Cedar Bridge Raw Water Mains

Resolution Awarding Change Order #1

The Change Order amount is \$144,908.49. Mr. Waxman questioned the large amount. It sounds like a whole new bid. Mr. Morrill said that there are new items that were not there before. This is partially due to the realignment and partially due to the addition of the conduit and hand holds for the fiber optic system. It was felt to be cheaper to put in fiber optics as opposed to radios at the remote well sites. When the costs were reviewed it was realized it was better to go with fiber optics. Fiber optics is forever as opposed to radios, which would need maintenance contracts. The change to fiber optics amounts to around \$80,000 of the Change Order. The radios would be over \$120,000. The maintenance is in the range of \$6,000 per year. Mr. Flancbaum said that fiber optics avoids the problems that can occur with radios such as service interruption during a storm. Mr. Morrill said that because of the CAFRA issue, it needed to be moved into the roadway. This cost around \$50,000. The total cost of the project will be \$492,655.89. The other bidders were JF Kiely for \$472,220 and \$498,471. These amounts were without the moving of the line into the roadway. The new cost of the project is still under the second and third bidder. This will have to go to the State because the change order is above the twenty percent threshold; it is forty one percent more. This happened only one other time at the Well No. 2 failure last year. The State came back with a letter stating that everything was done properly. Mr. Smith said that this resolution should be passed subject to his review. Mrs. Lapa read **Resolution # 12-44 Authorizing Change Order No. 1 and Extend Contract Cedar Bridge Raw Water Main.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **Roll Call**, all members present voted, "Yes". **Adopted.**

6. Meter Replacement Phase 2 – Project Status

This is the bulk of the meter replacement for the Authority. This is a NJEIT project for \$3.5 Million. A preconstruction meeting was held on February 29, 2012. The installers signed the contracts. The first purchase of 2,800 meters is scheduled for this month at a cost of \$1,000,000. These include the large meters for Industrial Park and then we will move into the Villages, which use the small IPerl meters. Senator Singer asked how the replacement of the nonworking meters is going. Mr. Flancbaum said that a little over two hundred meter replacements were done in-house. They are hooked into the fixed based system. They will all be done within the next five months. Senator Singer asked how many nonworking meters were repaired. Mr. Flancbaum said about two hundred fifty to three hundred were done. There are around 700 more to be repaired. Senator Singer asked if any change was noticed. Mr. Flancbaum said that over the next month we will have a better idea if the new meters are bringing in increased revenue. The old meters slow down and with the new meters the reading should show more usage, which is the correct usage. Senator Singer asked if the broken meters that were replaced, were broken by the occupants. Mr. Morrill said a lot of them could not be read or the wire that connected the

remote was broken. These meters could not be read unless an appointment was made to read the meter in the house. Probably sixty percent of the meters were broken in the fact that the Authority could not get in to read them. Some meters were in fenced yards that were locked. Senator Singer said that he wants a policy that if we cannot get a radio read and we cannot get into the house, after a reasonable amount of days, we shut off their water service. Mr. Smith said that there is no problem with terminating service for that kind of conduct but an established and uniform protocol is needed. Senator Singer said the time frame for shutting off the service if they do not allow a worker in the home to check the meter should be around two weeks. Mr. Smith said he will discuss the logistics with Mr. Morrill and Mr. Flancbaum and formulate a policy. Mr. McGregor said that there will be reports generated by the new system that will tell us that a meter is not moving or a meter is going backwards. Senator Singer asked if the Authority has a policy if we find out that someone tampered with a meter. Mr. Smith said he will take care of this. Mr. Morrill said that the new meter, the IPerl, will send a signal to the billing system that it is being tampered with if someone shuts the water off and drains the meter.

VIII. Attorney's Report

Mr. Smith will report in the closed session regarding contract negotiations with the Toyota project.

IX. Executive Director's Report

1. Resolution to Award Professional Services Contract to Lindstrom, Diessner, & Carr, P.C. to prepare Minor Subdivision & Site Plan. Block 1600 Lot 8 (Well 5 property)

This is for the land swap. Lindstrom is doing the site plan for the new owner. It made sense to go with the same engineer for the Authority's work also. It will save the Authority money. The fixed items on the proposal are \$10,425 and the estimated fees are not to exceed \$2,100. The total is \$12,525. Mrs. Lapa read **Resolution # 12-45 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11- 5(1)(a)(i)**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **Roll Call**, all members present voted, **"Yes"**. **Adopted**.

Mr. Sernotti arrived at 10:40 A.M. Mr. S. Flancbaum is no longer seated as an alternate.

2. Resolution to award Professional Services Contract to Carluccio, Leone, Dimon, Doyle & Sacks, LLC for legal work relating to the Minor Subdivision & Site Plan of Block 1600 Lot 8 (Well 5 Property)

John Paul Doyle will represent the Authority before the Lakewood Township Planning Board. His fee is \$365 per hour. Mrs. Lapa read **Resolution # 12-46 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11- 5(1)(a)(i)**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **Roll Call**, all members present voted, **"Yes"**. **Adopted**.

3. Resolution to award contract to AonHewitt for an Actuarial Analysis

At last month's meeting the post-retirement health benefits were modified. An actuarial analysis needs to be done in order to determine how much funds needs to be set aside to cover these benefits. The Authority will use the same company, AonHewitt, for the analysis that we used before. The fee for the analysis will be \$8,000, same as last time. It is a comprehensive review of the employees and how many will be retiring in the next few years. Mr. Waxman questioned why the fee is the same as last time, if they already have the Authority's information in the system. Mr. Flancbaum said now the employee's dependents, spouses and commissioners are eligible for benefits. A lot more data is needed now for the calculations. Mr. Waxman asked if this is something that the Auditor can do.

Mr. Flancbaum said no. Mr. Smith said that actuaries are the most highly paid professionals. It is very hard to become an actuary. Mrs. Lapa read **Resolution # 12-47 Awarding Contract for Actuarial Analysis GASB 45 Valuation Services**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

4. Sewer Line Replacement at Woodlake Country Club

Mr. Flancbaum said that the Authority will be doing the sewer line replacement for some of the lines that are tributary to the Woodlake Pump Station. We hope to have it done over the summer. One of the lines run across holes number ten and eleven at the country club. A meeting was held with representatives of the country club to inform them what was being done and to be able to facilitate mutual cooperation between them and the developer that will be doing the work. They had concerns and requests. Mr. Flancbaum asked them to put it in writing so that it can be reviewed with the developer. There were eleven concerns and requests in the letter. All were alleviated except for three. Mr. Flancbaum wanted to bring these to the attention of the commissioners. One of the requests was that their irrigation pipes were over thirty years old in that area. They requested that all the piping within thirty feet on each side of the crossing be replaced. Mr. Flancbaum feels that this is not a reasonable request. The developer agreed to replace any irrigation piping that breaks within thirty days after the work was performed. They will not ask any questions and will replace the piping within forty eight hours. The county club agreed to this. The next request was to postpone the work until late October, the earliest, so that the summer peak season is not interrupted. The Authority's concern is that the developer plans on having fifteen to twenty five units closed by end of August. Late October may not be the best time weather wise also. Mr. Flancbaum said he explained to them that the Authority plans on applying for TWA Permits within the next couple of weeks and we should have something back within ninety days. The Authority would like to get the work done prior to the developer closing on the units. There is really no discussion on it. The third request was that the country club would like to get compensated for any loss of revenue. Mr. Flancbaum said that it would be impossible to quantify and as a utilities authority we are not under any obligation to reimburse. We are allowed to go in and do what is necessary for the improvement of the system. The Authority cannot accommodate that request. Mr. Coles asked how long will the holes be out of commission. Mr. Flancbaum said that taking into consideration and adding on a couple days for bad weather, it should not take more than two weeks. The pars

will not be taken out of commission, they will be made shorter. Another concern the country club had was that they outings. Mr. Flancbaum said that if they will call him in June and July and let him know when the outings will take place so that work should not be done at that time, we will try to work with them. Mr. Flancbaum said he did not guarantee it but will do his best to work with them.

5. Proposed Legislation for Mandatory Fluoridation of all potable water supplies

There is proposed legislation to mandate fluoridation of all proposed water supplies. At the request of Senator Singer, the anticipated cost for fluoridation to update the facilities to accommodate the fluoridation was researched. There are five points of entry, two treatment facilities and three well houses. The anticipated cost based on total capacity is a onetime fee of \$85,000. The cost of running it is about \$20,000 which is approximately a one percent increase in production costs. Currently it costs around \$2.00 per thousand gallons and with the fluoridation it will cost around \$2.02 per thousand gallons. Mr. Flancbaum said he does not think that \$20,000 increase per year will warrant an increase in rates. Mr. Flancbaum was in contact with other Utility Authorities and it cost them between \$500,000 and \$1,000,000. It depends how many points of entry you have to cover. There are no mandatory safety measures that are known yet. When we are informed of the mandatory safety measures, it may increase the initial amount to the most \$100,000.

6. Closed Session - Contract Negotiations

X. Instrumentation/IT Department Report

Mr. Farina gave a brief overview of department activities over the last month.

In addition to the final testing, the Well No. 16 replacement of the pump electrical and well control and the replacement SCADA GE RTU have been completed. A small amount of programming is due to be completed today.

New Jersey Business System completed Phases one and two of the radio work. We are going to start putting more equipment on the new radio system as they come available and online. They will start working on Phase three in the next week. They will be coming out to our two remaining sites, Well No. 2 and Well No. 3 to prepare for those installations.

We are going forward with the programming of the New Hampshire SCADA system.

The security equipment that controls the gate and doors at Shorrock Street is integrated with the computer at the New Hampshire Operations building. Now the doors can be controlled remotely. A low cost camera is being installed at the Shorrock site entrance so that we can see who is at the gate or door prior to them being opened.

Ongoing discussions are being held with an engineering/integration group on our remote location security efforts. New Jersey Business Systems will also be at our

sites in the near future to present their ideas as well. It is an extensive undertaking and can be quite expensive so we want to research it properly.

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. Coles and seconded by Mr. Sernotti to approve the Operating Vouchers in the amended amount of \$1,622,045.59. On a **Roll Call**, all members present voted, "**Yes**". **Motion passed.**

XV. CLOSED SESSION

A **motion** was made by Mr. Sernotti and seconded by Mr. Waxman to go into closed session at 10:51 A.M. On a **voice vote**, all members present voted, "**Aye**".

XVI. OPEN SESSION

Open session started at 11:10 A.M. Contract negotiations were discussed. The Executive Director was authorized to look at selling the leases on the cell towers. The Executive Director will come back and if Mr. Smith approves the deal, the Authority gives the Executive Director authority to accept the offer.

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 11:10 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA