

# LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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## THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

### Regular Meeting Minutes

June 5, 2012

- I. Senator Singer opened the meeting at 10:05 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. Sernotti, Mr. Coles, Mr. Waxman 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 and Mrs. Nancy Lapa, Secretary were in attendance.
- V. **Minutes**  
A motion to approve the minutes of the Regular Meeting on May 1, 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 said that the Authority is on target with the budgeting for revenues for the Operating expenses. The Authority remains in very strong financial condition for the capital projects that is being worked on.
- VII. **Engineer's Report**
  1. **Beacon Hill Tank Roadway Drainage Improvements**
    - Resolution Awarding Change Order #1

There is a letter in the packet on page one identifying substantial completion of the project. There is approximately five percent of the project that needs to be done. The project is basically completed. There is a letter approving a payment and detailing a change order. There is a change order in the amount of \$1,200 on page three. The Authority asked the contractor to provide a trench for a new electrical service. Right before the project started we found that the old electrical service that we attempted to use was failing. The electrical line will cost \$7,600. For around \$9,000 there is new electrical service. Senator Singer said that is a good deal. Mrs. Lapa read **Resolution # 12-63 Authorizing Change Order #1 and Extend Contract for the Beacon Hill Tank Roadway Drainage Improvements**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On roll call, all members present voted, "Yes". **Adopted**.

## 2. Airport Road Water Storage Tank

Resolution Awarding Change Order #4 (Credit to close out project)

Resolution Accepting Maintenance Bond and Release Retainage

In the packet on page five is a change order with a credit in the amount of \$50,212. This is for work that was not performed on the tank, antenna brackets, select fill and permitting that was found to be not necessary. Mrs. Lapa read **Resolution # 12-64 Authorizing Change Order #4 Airport Road Storage Tank**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On **voice vote**, all members present voted, "Aye". **Adopted**. There is a letter in the packet for a resolution to accept the Maintenance Bond and Release the Retainage. In the packet it states that the release will be in the amount of \$31,000 but the Authority is releasing only \$29,000 of the retainage because of additional work the Authority had to do since the contractor would not do it. We are back charging the contractor for that work. Mr. Waxman asked if the Authority can get him to sign a release that he agrees to this amount before the money is given to him. Mr. Flanbaum said he spoke to the contractor and he said he will not do it. He said he will come in to talk about the last \$1500. Senator Singer said that is okay. Mrs. Lapa read **Resolution # 12-65 Releasing Retainage for Airport Road Water Storage Tank**. Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On **roll call**, all members present voted, "Yes". **Adopted**.

Mr. Theibault arrived at 10:09 A.M.

## 3. Meter Replacement Phase 1

Resolution Awarding Change Order #3 (Credit to close out project)

Resolution Accepting Maintenance Bond and Release Retainage

This is the old contract with National Metering Services. The Authority had a contract with them to install approximately 120 meters. They installed about 100 meters. They did not come back to replace the last twenty. The Authority asked them for a letter to terminate the contract. There is a letter in the packet. Mr. Flanbaum explained that the first hundred are easy. It is hard to schedule the replacement for the last twenty. They do not want to come down for just one or

two appointments at a time. Mr. Flancbaum thought that it would be best for the Authority to do the replacement themselves and get credit for the last twenty meters. Mr. Flancbaum said that the same will probably happen with the last bit of meter replacements with the new contractor. Mr. Morrill said that he spoke with Sensus about this. This happens all the time with meter replacements. Mr. Morrill wanted to mention that the only meters that will not be replaced are the vacant properties. Senator Singer said that there are only a few companies that replace meters and this seems the way they work. The change order is only for accounting purposes and to credit the account for work they did not do. Senator Singer said that the properties that are vacant should get a shut off notice. Mr. Morrill said that they plan on doing that and then turning off the water so when someone wants to live there, they have to come to the Authority. Mrs. Lapa read **Resolution # 12-66 Authorizing Change Order #3 Meter Replacement Phase 1**. Motion was made by Mr. Sernotti, seconded by Mr. Coles. On **voice vote**, all members present voted, "**Aye**". **Adopted**. The next resolution is to accept the maintenance guarantee and release the retainage. Mr. Morrill has a letter from the Authority's attorney approving the maintenance guarantee and a memo from engineering approving the amount and term of the guarantee. Mrs. Lapa read **Resolution # 12-67 Releasing Retainage for Meter Replacement Phase 1**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On **voice vote**, all members present voted, "**Aye**". **Adopted**.

#### **4. Repair and Replacement of Sanitary Sewer on Redondo Lane – Project Status**

##### Resolution Awarding Change Order #1

Senator Singer explained that this project did not progress as expected for a number of reasons. There was a problem with wetness. The Authority and the engineer did not understand the depth of the problem. The bid came in correct but it could not be installed the way originally thought. It created a situation where pilings and other items would be needed. This caused a \$90,000 overage. The project is being halted at the end of this series. A soils engineer is being brought in to look at it and we are waiting for his report. This project is extremely disruptive to the people living in that area. The first section was completed. The Authority will have to go out for bid for the remainder because it far exceeds the original bid and it cannot continue to be done on change orders. Mr. Flancbaum said that the material had to be changed from PVC to ductile iron because the PVC would not lay straight. The ductile iron pipe had to be installed on top on cross brace pilings. Mr. Theibault asked if this was a result of the amount of rain that was had. Senator Singer said it has nothing to do with the rain. This was a problem that was known but did not know the extent until it was opened. If the Authority would have spent a lot of money on engineering we would have known the extent of the problem. That would have required them to open it up and do borings. It was thought that it would not be necessary to do it. Mr. Morrill said that there were several sags in the old pipe and they saw that water was coming in and infiltrating. The infiltration was going to be corrected. The extent of the poor condition of the soil was not known. The Authority has had this in several places before. You open it up and de-water. We inform the

contractor that it was going to be a wet job; the water will have to be controlled during the project. Well points were put on both sides of the trench, opened it up and laid down two sections of pipe. As he pulled the box to lay the third section, the entire trench filled with water, even with the well points. He tried to put rip rap underneath to hold the pipes up. The rip rap sank directly into the soil underneath. He then tried putting five feet of stone in filter fabric underneath. When they walked on it, it was like walking on a water bed. At that point Ernst Ernst and Lissenden, the engineer, was contacted by the contractor. The engineer said that the pipes had to be put on piles and ductile iron pipes will have to be used. The reason for this is because the pipes will be supported only every six feet. The entire project was estimated to take four weeks. It took four weeks to put in two hundred feet of the fourteen hundred feet of pipe. There were four water main breaks because the soils just kept falling out from underneath the water main. The water main had to be replaced with ductile iron and it also had to be braced. The people that lived in the proximity of the project were very nice about. Mr. Flancbaum said that some driveways were blocked for four weeks. The contractor was also very good to the people. People called the Authority to say how nice and courteous the contractor has been. Senator Singer said that there had to be twenty four hour protection out there because the trenches could not be closed up every night. The Authority needs to re-think how to install the next twelve hundred feet of pipe. Some pictures were shown on the wall screen to show the project and its problems. Mrs. Lapa read **Resolution # 12-68 Authorizing Change Order #1 and Extend Contract Redondo Lane Sanitary Sewer Improvements**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On **roll call**, all members present voted, "**Yes**". **Adopted**. Mr. Morrill said he has additional photos of the Redondo Lane project if anyone would like to look at them.

**5. Adjustments to Manhole Frames and Covers within Original Leisure Village Project Status**

The Authority awarded a contract to Moslowski for \$41,680 to replace thirty six manholes. The village is paving in the area and ten additional manholes were found in the paving area. Three quotes were received. The contract was awarded to the paving contractor in the amount of \$8,000 to replace the ten manholes.

**6. New Hampshire Avenue Treatment Plant – Project Status**

Mr. Morrill is happy to say that on May 29<sup>th</sup> the operation of the treatment plant started. It pumps 1500 gallons per minute. It operates very well. It is being operated manually and will be operating so for the next three months.

**7. Cedar Bridge Raw Water Mains – Project Status**

Everything is completed except for the temporary restoration and connections to Well No. 4 and Well No. 5. Reforestation will be done in the fall.

## **8. Meter Replacement Phase 2 – Project Status**

This phase will consist of 6500 meter replacements. A minor change order will be coming through on this. This is needed because some of the meters are so old they actually had 120 volt power packs that had a 24 volt connection to the meter. Sensus does not remember these, they are so old. Sensus recommends disconnecting the power to the transformer. The meter replacement contractor cannot do it. It requires an electrician. The Authority will hire an electrician to take the transformers out and terminate that electrical service. Senator Singer said to look to hire a local electrician. Mr. Morrill said he will get three quotes from local electricians. As of May, approximately 1,450 of the 6,500 meters were replaced. 300 of those meters were from the original 900 meters that were not able to be read. In the next eight weeks it is expected to have at least ninety percent of the meters that could not be read to be replaced. Senator Singer questioned if the meter reading are better. Mr. Flancbaum said that we are not sure yet. 1400 meters were replaced to date. The Authority has around 2000 meters on the fixed based system. More data is needed. More time is needed to be able to have more reads and to make a proper comparison. Mr. Morrill said that as part of the contract, the contractor is going to take the old meters and test them. They will give the Authority a report with how accurate they were. They are waiting to test the meters until they have a lot more meters.

## **VIII. Attorney's Report**

Mr. Smith will comment in closed session (regarding cell tower assignment meeting).

## **IX. Executive Director's Report**

### **1. Summer 2011 Storm Damage - Insurance Reimbursement**

The Authority was hit by a major storm last July on a Friday night and sustained significant electrical damage. Many overtime hours were spent on restoring SCADA, telephone service, and having various communications to be up and running by Monday morning. A claim was submitted to the JIF at the end of the summer for material, labor and overtime. We stayed on top of it to make sure the claim was reimbursed. A few weeks ago a check in the amount of \$11,600.22 was received. This is the total amount spent minus the \$1,000 deductible.

### **2. Resolution Awarding Contract to Dynamic Testing Services for the purpose of onsite drug and alcohol testing for Authority Personnel deemed safe sensitive**

The Authority adopted a safety sensitive drug testing policy a few months ago. The company we have selected was recommended by our labor counsel. Dynamic Testing is being used by Ocean County, Jackson MUA and over 100 municipalities. They seem reputable. The fees are as follows - \$55 per specimen for five panel urine drug test and \$35 per breath alcohol test. If they have to come after hours, there is a flat rate of \$200 plus the cost of the test. Mrs. Lapa read **Resolution # 12-69 Awarding Contract For Onsite Drug And**

**Alcohol Testing Dynamic Testing Service.** Motion was made by Mr. Waxman, seconded by Mr. S. Flancbaum. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

**3. Resolution Awarding Contract to Caltech Systems**

Bob Calabrese of Caltech systems has built the SCADA system on Shorrock Street and has been intimately involved with designing, building and programming our SCADA system at our new treatment facility and our remote sites as well to ensure that the new SCADA will be fully integratable with our existing SCADA. The IT Department has been working with Mr. Calabrese and will ultimately assume his responsibilities on a full time basis. However we feel that we need to retain Mr. Calabrese's services for one more year. His current contract expires on September 15, 2012. This contract will start when his current contract ends and will expire on September 15, 2013. The amount of the contract will be the same that he has been charging for the last couple of years, \$110,000 per year. Mr. Waxman thought that there would be less work needed from him at this point. Mr. Flancbaum said that the bulk of the programming for the new treatment facility is complete until a point where everything is up on the screen. For the next few months the treatment plant will be run on manual mode. Until the nuances are figured out and the treatment plant is automated and even after that, Mr. Calabrese is needed. Now that all the remote sites are being tied in to the SCADA as well, it has to be fully integrated. Mrs. Lapa read **Resolution # 12-70 Awarding Contract Without Public Bidding For the Support and Maintenance Of Proprietary Computer Hard Drive and Software.** Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On a **roll call**, all members present voted, "**Yes**". **Adopted.**

**4. Cell Antennae Lease Easement Purchase Bid Results** – Will be discussed in closed session

**5. Well #5 Update**

We will be in front of the Planning Board on June 12<sup>th</sup> for site plan approval of the land swap between the Authority and 100 Syracuse Court, LLC. Mr. Flancbaum will be attending on behalf of the Authority. The plans, specs, and permit application will be completed and sent to the DEP. It will be submitted in one package. This will allow the relocation of Well No. 5 to move along.

**6. Summer Intern - Operations Department**

With the help of Mr. Sernotti, Mr. Flancbaum contacted Toni Ponti of Lakewood High School and we were able to find a summer intern from right here in Lakewood to work in the Operations Department. He is eighteen years old and seems very happy to have the opportunity to work here. He will be paid \$10 per hour. He will start in a couple of weeks.

**7. Utility Audit**

The Authority was contacted by a company called Commercial Utility Consultants. They have been in business since 1975. This company, at no charge, does a utility analysis. They analyze your most recent utility bill. You give them permission to contact the utility company directly and they see if they can save you money on your bills. They are not a supply broker. If they see that you can save money, you keep fifty percent of the savings and this company takes fifty percent of the savings for five years. There is no upfront charge. After they give you a recommendation, there is no obligation to listen to it. A commissioner questioned if the fifty percent is negotiable. Mr. Flancbaum said everything is negotiable and he would speak to them about. There are other companies that do this, but he does not know about them. Senator Singer said to call around, call Bob Fisher, and find out if there are other companies that do this. If there is another company that does it and they are reputable, perhaps they can offer better than fifty fifty. Mr. Flancbaum said he will look into it.

- 8. Closed Session-** Safety Coordinator and Sick day payouts  
Will take place later in Closed Session.

**X. Instrumentation/IT Department Report**

Mr. Farina reported that all programming for the New Hampshire Water Treatment facility is complete in order to manually run the operation. The next effort will be to focus on performing all the programming necessary to enable the facility to operate automatically. This will allow the plant to operate after hours and on weekends unmanned. We are maintaining an ongoing punch list in order to address any equipment that is missing, not functioning to specification or not supplied as per specification. This method is proving to be more successful than having to wait until the end of a particular vendor's job and then address many items, in which some are sure to get missed. Senator Singer asked how the Authority is doing staff wise with the IT Department. Mr. Flancbaum said the Authority is okay now. The new Treatment Plant is going on line. To get a new employee trained at this time would be more work than help. Senator Singer said that in the future a third employee should be hired for the IT Department.

**XI. Commissioners' Report**

Mr. Sernotti said that he will not be able to attend the July and August meeting. Senator Singer asked Mr. Smith if a commissioner cannot attend the meeting personally can they call in and participate in the meeting. The commissioner would keep their phone on mute so any background noise would not be heard. Mr. Smith said there are two cases in New Jersey and he researched them. There is no clear authority for a Utilities Authority for a call in. Mr. Smith said it seems to him that a quorum cannot be made using a commissioner that is absent. Senator Singer said then we will not do it. There are alternate commissioners that will be present.

**XII. MEETING OPEN TO THE PUBLIC**

There was no response from the public.

Mr. McGregor said he wanted to comment on the previous discussion regarding the new meters making the billing more accurate. There are four cycles of billing. There is a billing sent out every month. Over the quarter every customer receives one bill. The metering project was started at the end of April. We have to wait until we have all four cycles back in until we can see the results of the new metering system. That will not be till close to the end of the year.

**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 amended Operating Vouchers in the amended amount of \$1,862,800.66. On a **roll call**, all members present voted, "**Yes**". **Motion passed.**

**XV. CLOSED SESSION**

A **motion** was made by Mr. Coles and seconded by Mr. Sernotti to go into closed session at 10:38 A.M to discuss several personnel items - Safety Coordinator and sick day payouts also to discuss contract negotiations. On a **voice vote**, all members present voted, "**Aye**".

**XVI. OPEN SESSION**

A **motion** was made by Mr. Coles and seconded by Mr. Sernotti to go back into open session at 11:00 A.M. On a **voice vote**, all members present voted, "**Aye**". Contract negotiations and personnel were discussed in closed session. When it becomes operational the information will be made public.

**XVII. ADJOURNMENT**

A **motion** was made by Mr. Sernotti, seconded by Mr. Coles to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 11:01 A.M.

Respectfully submitted,

Nancy Lapa,  
Secretary, LTMUA