

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

February 7, 2012

- I. Senator Singer opened the meeting at 2:15 P.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 and the Star Ledger on February 10, 2011.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancbaum, Mr. Sernotti, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. 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. Raphael Copeland, Instrumentation/IT Department Coordinator.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting on January 3, 2012, was made by Mr. Sernotti and seconded by Mr. Coles. On a **voice vote**, all members present voted "**Aye**". **Motion carried.** A motion to approve the minutes of the Water Rate Hearing held on January 3, 2012, was made by Mr. Sernotti and seconded by Mr. Waxman. On a **voice vote**, all members present voted "**Aye**". **Motion carried.** A motion to approve the minutes of the Sewer Rate Hearing held on January 3, 2012, was made by Mr. Sernotti and seconded

by Mr. Waxman. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

VI. Accountant's Report

Mr. Bauer was in contact with the State today. The State signed off on the approved budget and will be mailing it out the next morning. They were both approved without change and they can be adopted by resolution. Mrs. Lapa read **Resolution # 12-24 2012 Water Operation Lakewood Township Municipal Utilities Authority Adopted Budget Resolution.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On **roll call**, all members present voted, "**Yes**". **Adopted.** Mrs. Lapa read **Resolution # 12-25 2012 Sewer Operation Lakewood Township Municipal Utilities Authority Adopted Budget Resolution.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On **roll call**, all members present voted, "**Yes**". **Adopted.** Mr. Bauer has another item that will be discussed in closed session.

VII. Engineer's Report

1. Repair and Replacement of Sanitary Sewer on Redondo Lane

- Resolution Rejecting All Bids
- Resolution for Change Order #1 to Professional Services Contract
- Motion Authorizing Advertisement to Rebid

Mr. Morrill reported that the Authority accepted bids for the project. The lowest bidder was Mazzara Trucking & Excavation at \$188,000. The next lowest bidder was \$232,000. As explained in a letter, from the Authority's attorney that is in the packet, the bid from Mazzara has a fatal flaw and cannot be accepted by the Authority. The Authority has the option of awarding the bid to the second lowest bidder or to reject all bids and rebid the project. Mr. Morrill recommends rejecting the bids and put it out to bid again. Senator Singer asked the commissioners if they are okay with the project going out for bid again. Everyone was okay with it. Mr. Smith explained that the lowest bidder had a Consent of Surety that was completely ineffective. They had the wrong number. The statute creates five documents that are considered absolutely mandatory as opposed to required. In the words of the statute, failure of any of them is a fatal error and cannot be cured by the commissioners. The bid has to be rejected. Mr. Smith said that all the bidders were notified in writing about this rejection. Mrs. Lapa read **Resolution # 12-26 Rejecting All bids and Authorizing New Solicitation of Bids.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On **voice vote**, all members present voted, "**Aye**". **Adopted.** Mrs. Lapa read **Resolution # 12-27 Authorizing Change Order No. 1 and Extend Contract Redondo Lane Sanitary Sewer Extension.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On **voice vote**, all members present voted, "**Aye**". **Adopted.**

2. Redevelopment of Wells #16, #9, and #10

Resolution Ratifying Award of Contract

On January 6, 2012 three bids were received. The lowest bid was from AC Schultes for \$98,985. To award the contract to AC Schultes a phone poll was done. A resolution ratifying the phone poll and awarding the contract is needed. Mrs. Lapa read **Resolution # 12-28 Awarding Contract to A.C. Schultes, Inc. for Redevelopment of Wells Nos. 9, 10 and 16.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On **voice vote**, all members present voted, **"Aye". Adopted.** Mr. Smith commended Adam Ponsi on the terrific detailed backup that was provided on this motion.

3. Annual Engineer's Reports 2009, 2010, 2011

Resolution Awarding Professional Services Contract

T&M Associates gave the Authority a proposal in the amount of \$9,950 to prepare the three annual engineer's reports. Mr. Morrill recommends accepting it. Mrs. Lapa read **Resolution # 12-29 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 **voice vote**, all members present voted, **"Aye". Adopted.**

4. Update Rules and Regulations

Motion to Approve Changes to the Authority's Rules and Regulations

In the packet on page nine is the revised detail for concrete cradle construction. Mrs. Lapa read **Resolution # 12-30 Approving and Adopting Revisions to the Lakewood Township Municipal Utilities Authority Rules and Regulations.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On **voice vote**, all members present voted, **"Aye". Adopted.**

5. Meter Replacement Phase 2 – Project Status

Three bids were received. The lowest bid was from In Line Services. The Authority needs to purchase meters also. On January 26, 2012, the Authority received authorization to award from NJEIT Financing Program. The contract was awarded. Pre-construction meetings are being set up to start the project.

6. New Hampshire Avenue Treatment Plan – Project Status

Substantial progress has been made. Mr. Morrill said that he has been pushing pretty hard and they have made good strides on getting the filters done. The project is still further behind than we would like. There is a schedule and they say they will keep it. The treatment plant should be online by April 1st. One building, a small well house, was not constructed yet. They will start the construction this week.

7. Possible Abandonment of the Woodlake Pump Station – Project Status

In the packet is a sketch of the area of Route 88 and Mr. Morrill handed out a picture of the area. There was some interest expressed by a developer. The developer was looking to develop a project along Route 88, across from the Maco Auto Repair Shop. A sanitary sewer was designed for the area. The original sanitary sewer design was estimated at around \$500,000. The revised sewer design, which would bring the line down Route 88 and service all the properties on Route 88, was estimated at around \$800,000. Mr. Morrill would like to go ahead and investigate and see if the Authority can work with the developer towards the construction of the first phase of the sewer. At the present time, the Authority has around \$170,000 set aside for the construction of the sewer line. When the analysis was done in 2005, it was determined that the construction of the line at \$500,000 would save the Authority approximately \$10,000 per year in maintenance and operations costs. Senator Singer asked from where it has to be extended. Mr. Morrill said in order to service the single developer; it would have to go from the Exxon Station to three doors down from the Maco Auto Repair Shop. Mr. Morrill said that without doing more analysis he would not know whether it would be economically feasible. Senator Singer thought that someone else is also putting money into the pump station. Mr. Morrill said yes. Due to the fact that other developers are expanding, \$100,000 is being set aside to upgrade the pump station. Senator Singer said that means the Authority has \$270,000 in the bank for this. An analysis has to be made to see what should be done. If the money is not used to upgrade the pump station, then the project has to be done. There is \$270,000 in the bank and needs another \$500,000. Should the Authority do the project and collect money as more people tie in. Or should the Authority upgrade the pump station and use the money to offset the \$10,000 per year expense for the next seventeen years. Mr. Morrill said the Authority first has to do an analysis to see which direction makes economic sense. Senator Singer said these projects are commercial buildings and will only have a few bathrooms. It may not pay to do the sanitary sewer. Senator Singer was wondering if at some point in the future a school might buy a building there and the school would not be able to pay the \$400,000. Senator Singer said Mr. Waxman might be able to help in this area. Mr. Morrill said he will get proposals from engineers to look at this.

8. Cedar Bridge Raw Water Mains – Project Status

Mr. Morrill said that the Authority has come up with a tentative alignment. On February 16, 2012, there will be a meeting with the County to go over the revised alignment and to find out the restrictions.

9. Airport Road Water Storage Tank Replacement – Project Status

On February 2, 2012 the subcontractor started removing the foundations of the old tank. After the foundation is removed and the punch list items are taken care of, the project will be completed.

VIII. Attorney's Report

Mr. Smith will report in the engineer's report.

IX. Executive Director's Report

1. Resolution awarding contract to CME Associates for Water System review at Leisure Village East & Leisure Village

Mr. Flancbaum has a proposal from CME Associates for \$15,000 to identify system deficiencies and prepare conceptual resolutions for the problems identified. There may be an additional request of \$2,500 for reimbursable costs. The total proposal is for \$17,500. Senator Singer said these systems are problematic and the problems have to be addressed. It is an old system and it was not done right to begin with. Mr. Waxman asked how this issue will be addressed. Mr. Flancbaum said the question is if new lines are needed. How many backflow preventers are needed? Can other things be done in the villages that will eliminate the need for additional backflow preventers? Senator Singer said the Authority needs to make sure that the part of the system that is the Authority's responsibility meets code. The Authority will inform the Villages what needs to be done for their part of the system. Mrs. Lapa read **Resolution # 12-31 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1 Et. Seq.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

2. Resolution awarding contract to Flett Associates, PC for investigation and evaluation of OCUA metering & billing

Mr. Flancbaum said that Mr. Donald Flett came to meet him a couple times. This is his specialty. The metering system will reviewed for accuracy of sewage flow and review how the OCUA bills the Authority. We received references for him. One of the references was gotten from the Monroe Utility Department through Adam Ponsi. Senator Singer said that if Mr. Flett does not find anything then the OCUA is correct. The Authority had problems in the past with the OCUA billing the Authority incorrectly. We felt it was appropriate to have them reviewed due to the size of the OCUA bills. This proposal is to investigate the metering system and report back to the Authority. The proposal does not include recommendation of specific measure to correct any deficiencies found, only to investigate. The amount of the proposal amount is \$3,200. Senator Singer said that in the past the OCUA was double billing the Authority. Mr. Morrill said that the Harris billing system was giving bad information. He has worked for different municipalities and the references check out well. Last year the Authority discharged around 670 million gallons and the OCUA was paid approximately \$650,000. Mr. Smith said that there is a lawsuit pending in Monmouth County between several local authorities and one of the large regional authorities over how the sewer is measured. Mr. Smith is keeping an eye on the lawsuit and nothing has happened yet. Mrs. Lapa read **Resolution # 12-32 Awarding**

Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1 Et. Seq. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

3. NJEIT Resolutions

There are two NJEIT resolutions that need to be passed in conjunction with the new metering project and the supplemental loan. Mrs. Lapa read **Resolution # 12-33 The Lakewood Township Municipal Utilities Authority Concerning Review of the Findings of the Local Finance Board Made at a Meeting of said Board on December 14, 2011 in Accordance with the Provisions of N.J.S.A. 40A:5A-7 With Respect to a Project Financing of the Authority.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.** Mrs. Lapa read **Resolution # 12-34 Resolution Authorizing the Execution and Delivery of Loan Agreements to be Executed by The Lakewood Township Municipal Utilities Authority and each of the New Jersey Environmental Infrastructure Trust and the State of New Jersey, acting by and through the Department of Environmental Protection, and Further Authorizing the Execution and Delivery of Escrow Agreements, all Pursuant to the SFY 2012 New Jersey Environmental Infrastructure Trust Financing Program.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

4. Resolution to adopt State Health Benefits for certain retirees

Mr. Flancbaum said that the Authority is formalizing the adoption of the provisions of Chapter 48 of the State Health Benefits Program. Chapter 48 provides several options with regards to post retirement benefits for employees covered through the State Health Benefits Program. We are formalizing as policy a model based on the policies of Ocean County which provides for the following:

A) In order for an employee to be covered by the Authority the Employee must have twenty five years in the pension system with a minimum of fifteen years with the Authority. B) Both Employee and dependents will be covered upon retirement. C) The Authority will provide premium payment for surviving spouses. D) The authority will reimburse 100% of Medicare costs. E)

Commissioners appointed prior to May 21, 2010 who have the minimum required years into the system and with the Authority can also be covered. This resolution will be adopted today but will go into effect January 1, 2013. Funds have to be allocated for the post-retirement benefits. The resolution has to be sent to the State for their approval. Senator Singer did not participate in the vote. Mr. S. Flancbaum was seated as an alternate. Mrs. Lapa read **Resolution # 12-35 Resolution to Adopt the Provisions of Chapter 48.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Senator Singer returned back to the discussion. Mr. S. Flancbaum is no longer seated as an alternate.

5. **Resolution confirming P.L. 2011, Chapter 78 retiree contribution requirement** – Included in the item four.
6. **Resolution to adopt a “Safety Sensitive” Drug Testing Policy**
Up until now the Authority did not have an official policy for drug testing. To date our field employees are sent annually for physicals and drug testing. This policy allows for drug testing at random for any employee in a “safety sensitive” position in which the use of drugs and alcohol poses a threat to other employees and public served by the Authority. This includes the entire operations staff and anyone that operates an Authority vehicle, works in the treatment plants, operators, etc. A third party will be hired to set up random drug tests. Mrs. Lapa read **Resolution # 12-36 Resolution Adopting a Drug Free Workplace Policy**. Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.
7. **Resolution to adopt a Vehicle Use Policy**
At last month’s the “on call program” was changed. Any employee that is “on call” for the week, will be allowed to take home the Authority’s vehicle should they need to come in. The policy was prepared and established through advice of Labor Counsel. This policy clearly articulates the Authority’s vehicle usage policy; it includes what usage is allowed for during working hours and what our take-home vehicle procedures are. If the employee has to stop at certain places, it will be allowed, within reason. Senator Singer said if the employee stops at Wawa for a coffee or a quick pick up in the grocery store is okay. The Authority does not want families in the car. This can become an insurance issue. Mrs. Lapa read **Resolution # 12-37 Resolution Adopting a Vehicle Use Policy**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.
8. **Resolution to establish a Flexible Spending Account Cafeteria Plan as per P.L. 2011, Chapter 78**
Mr. Flancbaum explained that a Flexible Spending Account is a program that allows the employee to put aside a certain dollar amount from their paycheck’s pre-tax at the beginning of the year to be used for certain medical expenses, for example - copays for doctor’s visits or medication. You can also put aside for dependent day care expenses. Mrs. Lapa read **Resolution # 12-38 Adopting a Flexible Spending Account**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.
9. **Offer to purchase Authority Cell Antenna Lease Agreement** – Will be discussed in closed session.
10. **Lakewood Chaveirim-Request to install repeater at Ridge Ave. Tank**
Chaveirim is a local volunteer organization. They are part of the Office of Emergency Management in town. They help people in need, in time of emergency. The police use their services and they also help the Township with emergencies. Mr. Coles was contacted by Chaveirim to assist them in setting up a repeater on one of our water tanks. We want to make sure that their

equipment will not interfere with any of our networks. We will work with them in good faith to determine whether we can help them out.

11. Brick MUA Water Purchase; Termination of NJAWC Purchase Agreement –
Will be discussed in closed session.

Mr. Flancbaum has one more item to add to his agenda. A final agreement was worked out with the new owner of the property needed for Well No. 5 on New Hampshire Avenue. The land swap will be done and the Authority will give them \$700. The property owner has hired Mr. John Paul Doyle as their attorney and Mr. Jeffrey Karr as their engineer to take it to the Planning Board for site plan approval. The Authority will do a minor subdivision required for the land swap in conjunction with the site plan approval. The Authority will hire Mr. Doyle and Mr. Karr to do our part in conjunction with the property owner. Mr. Smith said he reviewed the contract carefully that Mr. Doyle drafted. The contract is very clear. It states that we are exchanging two sets of properties that are delineated in our engineer's report and the Authority is paying the difference of \$700, which is what our appraiser says is the difference. The Authority is hiring Mr. Doyle to do the Authority's share of the subdivision and is paying for the engineering costs for including the Authority in it. Mr. Smith prepared a resolution authorizing execution of the contract. Mrs. Lapa read **Resolution # 12-39 Authorizing Exchange of Land**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

X. Instrumentation/IT Department Report

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

The Authority's Radio and Antenna system installation for Phase one is now completed and fully tested per the vendor. We are still due the written test results and there are some punch list items that must be taken care of as well as a customer training session. This will have to be completed prior to the Authority's acceptance.

The rehabilitation of the Well 16 pump house in terms of new electric as performed by the electrical contractor has been completed and the pump's new GE SCADA controls equipment that was performed in house.

In the continuing effort of the Authority to modernize the labor time keeping systems, an initial meeting has taken place with the first potential integrator. The meeting yielded some results as to what types of systems are available and information has been forwarded to the vendor so that at the next meeting the equipment discussed can be geared towards our exact needs.

The new security system has been installed and configured for the new operations building and we are in the process of system integration.

In addition, we have tied together our Excel server between the Operations building and the Shorrock Street plant so that field data can be entered on either

end. A new PC has also been set up in the Operations building for use of field staff in order to assist in sending out information such as boil water notices and viewing maps and plans.

XI. Commissioners' Report

The Flexible Spending Account was explained to the commissioners.

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 \$1,319,851.04. On a **Roll Call**, all members present voted, "**Yes**". **Motion passed.**

XV. CLOSED SESSION

A **motion** was made by Mr. Waxman and seconded by Mr. Coles to go into closed session at 2:55 P.M. On a **voice vote**, all members present voted, "**Aye**".

XVI. OPEN SESSION

A **motion** was made by Mr. Waxman and seconded by Mr. Sernotti not to renew the contract with New Jersey American Water Company and to authorize the Executive Director to sign a new contract with Brick Township MUA. On a **Roll Call**, all members present voted, "**Yes**". **Motion passed.**

There also was a discussion in the closed session regarding cell lease agreements.

XVII. ADJOURNMENT

A **motion** was made by Mr. Waxman, seconded by Mr. Coles to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 3:15 P.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA