



**Board of Commissioners**

*Senator Robert Singer, Chairman*

*P. G. Waxman, Vice Chairman*

*Raymond Coles, Treasurer*

*Anne Fish, Assistant Secretary*

*Craig Theibault, Commissioner*

*Samuel Flanbaum, Alt. Commissioner*

*Meir Lichtenstein, Alt. Commissioner*

**THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**

**Regular Meeting Minutes**

**March 7, 2017**

- I. Senator Singer opened the meeting at 11:04 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 10, 2017 and The Tri Town News on February 15, 2017.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**  
On a roll call the following Commissioners were present: Mr. S. Flanbaum, Mr. Theibault, Mayor Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professionals and key personnel were present: Mr. Norman Smith, Esq., Mr. Gerwin Bauer Jr., Auditor, Mr. Justin Flanbaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Paul Morrill, P. E., Mr. Robert Farina, Instrumentation Department Supervisor and Mrs. Nechama Lapa, Secretary.  
Senator Singer wished Mazal Tov to Mr. Waxman upon the engagement of his daughter and Mr. Lichtenstein upon the marriage of his son.
- V. **Minutes**  
A motion to approve the minutes of the Regular Meeting held on February 7, 2017, was made by Mr. Waxman and seconded by Mayor Coles. On a **voice vote**, Mayor Coles, Mr. Waxman, Mrs. Fish and Senator Singer voted, "**Aye**". Mr. Theibault abstained since he did not attend the meeting. **Motion carried.**  
  
A motion to approve the minutes of the Annual Reorganization Meeting held on February 7, 2017, was made by Mr. Waxman and seconded by Mayor Coles. On a **voice vote**, Mayor Coles, Mr. Waxman, Mrs. Fish and Senator Singer voted, "**Aye**". Mr. Theibault abstained since he did not attend the meeting. **Motion carried.**

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**LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**

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## **Chief Financial Officer Report**

### **1. Financial Results Review For February 28, 2017**

The Authorities net position for the period ending February 28, 2017 is \$494,000.00 which is ahead of the budget by \$449,000.00. The Authority's operating revenues as of February 28, 2017 is approximately \$3.2 Million which is \$430,000.00 ahead of our budget. This continues to be driven by residential service fees and connection fees. The connection fees have slowed up in February. There is only one development that is active now, New Hampshire Heights, and there were only two connections for them in February. The Authority's expenses through February are \$2.7 Million. It is slightly lower than the Operating Budget. The expenses are being managed very well. The expenses are almost flat to last year. Senator Singer questioned if the income increase is due to increase of connections. Mr. Rappoccio said yes. Also Phase III of the metering system will be complete soon and there will be a benefit having the new meters.

The Annual Audit is in progress and is going well. Mr. Bauer said that the Audit is nearing completion. As you are aware, the Authority needs to use the actuarial report from the State of New Jersey for the Pension Liabilities. The report has to be issued within twelve months of the fiscal year end. The year end is October and the last actuarial report that was issued was June 2015. The Authority needs to wait till the June 2016 report comes out to complete the Audit. This report will give the actual numbers for the Pension Liabilities. Senator Singer asked when the report can be expected. Mr. Bauer said he called the DCA and they are unsure. Last year it came out around May. Last fiscal year was a great year. The expenses were flat with the budget.

### **2. Motion to Approve Operating Voucher**

Mr. Rappoccio provided the commissioners and Mr. J. Flancbaum with a list of abstentions. The Operating Expenses have changed from what is in the packet. There is an increase of \$17,577.33. Mr. Waxman questioned what it was for. Mr. Rappoccio said the major item was for JCP&L. They needed to get paid in order to get the work going on the decommissioning of the Woodlake Pump Station. This bill in the amount of \$17,077.32 was received late Friday afternoon. Mr. Waxman questioned why the price is so high. Mr. J. Flancbaum said that JCP&L has to move their main transmission line in the area. Before the work is started they give a fixed cost agreement. Mr. Waxman asked Mr. Morrill if it makes sense that the cost is so high. Mr. Morrill said that is what they charge. JCP&L has two transformers on the Authority site. One was the Authority's transformer that operated Authority equipment and the second one was a transformer which actually operated some of the electric for the Woodlake Apartment Complex. This \$17,000.00 will get rid of that transformer and get all their equipment off the Authority site and reconnect the lines. This will get everything off the site. Mr. Waxman asked shouldn't Woodlake pay because they are a partial beneficiary of this. Senator Singer said no, the Authority is selling the site. It is best to sell the site clean. The Authority will recoup monies when the property is sold. A **motion** to approve operating vouchers in the amended amount of \$1,202,123.65 was made by Mr. Waxman, seconded by Mayor Coles. On **roll call**, all members present voted, "**Yes**" **with noted abstentions. Motion Carried.**

## VI. Engineer's Report

### 1. Pine Belt Chrysler

- Resolution Releasing Performance Guarantees

On February 17, 2017 an email was received requesting the release. A letter was prepared March 2, 2017 which states all the conditions for release of the Performance Guarantees. Mrs. Lapa read **Resolution #17-39 Release Of Performance Guarantees Pine Belt Chrysler**. Motion was made by Mayor Coles, seconded by Mr. Waxman. On a **roll call**, all members present voted, "**Yes**". **Adopted**.

### 2. Water Diversion Permit Modification

- Resolution Awarding Professional Services Contract

This contract is being awarded to Mott MacDonald in the amount of \$12,500.00. On December 27, 2016 the DEP issued a letter indicating that they want additional work done for the permit modification. On February 27, 2017 a proposal was received from Mott MacDonald in the amount of \$12,500.00. Senator Singer asked if the Authority is still under the drought warning. There was a lot of rain. Mr. J. Flancabaum said that the DEP has not lifted the drought warning. Mrs. Lapa read **Resolution #17-40 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. Emergency Repairs Well #15 2017

- Resolution Awarding Change Order #1

The well was televised. This television report indicated that there was substantial dirt in Well No. 15. Mr. Morrill recommends redeveloping the well at this time for \$16,200.00. Mr. Waxman asked what does redeveloping mean. Mr. Morrill said that they will clean the well. Mr. J. Flancabaum said it is called a mechanical redevelopment. Mr. Morrill said they will search the well and pull some of the dirt that is down there. This will save the Authority from doing it in three to five years. Mrs. Lapa read **Resolution #17-41 Authorizing Change Order No. 1 Emergency Repairs At Well No. 15**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted**.

### 4. Redevelopment of Wells #1 and #3

- Resolution Awarding Change Order #1
- Resolution Awarding Change Order #2

Change Order No. 1 is in the amount of \$2,375.00 for repairs to Well No. 1. When the televising of Well No. 1 was done they found a substantial number of m-scopes were caught down in the well. They had to be taken out. Senator Singer asked if they are out now. Mr. Morrill said yes. Senator Singer asked where the wires came from. Mr. Morrill said since there was not a dedicated line; an m-scope which is a wire is sent down the well to find out the water level. This tests the water level for static. When you pump the well you put it down for dynamic, which is the pumping level. Back then there was not a dedicated pipe so the wire was shoved down the air vent and sometimes when pulling the wire out it would get caught. Mrs. Lapa read **Resolution #17-42 Authorizing Change Order No. 1 Redevelopment of Wells No. 1 and No. 3**. Motion was made by Mayor Coles, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted**.

Change Order No. 2 is for \$2,800.00. This should be reimbursed to the Authority. When this well was televised a piece of PVC pipe that was not part of the original construction was found. Mr. Morrill believes that it was from Iron Hills when they were putting in the

pvc pipe in, one of them must have gotten away from them. It was found 800 feet deep at the bottom of the well. This change order is to pay for the well driller that televised to try to get it back out. Senator Singer asked if he can get it out. Mr. Morrill said he is going to make a good try. Senator Singer asked what happens if he does not. Mr. Morrill said that it stays down there. It is a two inch pipe. It will not hurt the well but it will make it more difficult for redevelopment. Mr. Waxman asked if it is not Iron Hills' responsibility to get it out. Mr. Morrill said if this well driller does not get it out, the Authority can go back to Iron Hills and say they need to get this out. Mr. J. Flancbaum said that the Authority has not released retainage on Iron Hills. Mr. Waxman said that if the Authority attempts to have it taken out and cannot can they later argue that the Authority made it worse with their attempt. Mr. Morrill said no, they were already put on notice that this is their problem and the Authority will try to get it out. Iron Hills' well driller, AC Shultes, has agreed that they will pay \$2,800.00. Although, they are not conceding that it is their problem. Mr. Morrill also wanted to mention regarding the redevelopment of Well No. 1, they had expended the four days that they had anticipated and it is still being redeveloped. Therefore there will be a couple of days extra cost on it. Senator Singer asked what the problem is. Mr. Morrill said they put the chemicals down and then they try to get the chemicals back out but sometimes it takes longer as the chemicals are still reacting with the materials down in the well. When redevelopment is done it is an estimate, it is based on the number of days. Senator Singer questioned what the PVC was used for. Mr. Morrill said the PVC is the pipe that was put down so that there will be a dedicated line for the m-scope. Mr. Morrill does not know why it is down there. The Authority did not have anyone there then. It did not break. It is ten feet long. Mrs. Lapa read **Resolution #17-43 Authorizing Change Order No. 2 Redevelopment of Wells No. 1 and No. 3**. Motion was made by Mr. Waxman, seconded by Mayor Coles. On a **roll call**, all members present voted, "**Yes**". **Adopted**. Mr. Morrill said that in the Well on New Hampshire Avenue, which is 1500 feet deep, there was a two inch metal pipe down at the bottom and they went down there and were able to get it.

## **VII. Attorney's Report**

Mr. Smith said that Mr. J. Flancbaum asked him to get easement rights on a private owner's property. The owner was not cooperative in any way. Mr. Smith filed an eminent domain complaint in Superior Court. The return date of the order to show cause is this Friday. The owner has already advised Mr. Smith that she will object. Senator Singer asked who the owner is. Mr. Smith said her name is Laurie Leeds. Mr. J. Flancbaum said the property is behind the Emerald Hills development. Mr. Smith said the objection will not go anywhere. Senator Singer said we have dealt with Laurie Leeds for years. Mr. Smith said he has dealt with her since he was an attorney for the Township in 1971. Senator Singer said that this is usual with easement rights. We have dealt with this before.

Mr. Waxman asked if there is an update with the lawsuit with Horizon at Woodlake Greens. Senator Singer said that the Township settled with them. Mr. Smith said the Authority's case is still spending. There is a conference on schedule with the judge. There has not been any discussion with his office regarding settlement with the Authority. A settlement conference is scheduled. Senator Singer told Mr. Smith that when he is in the chambers with the judge he should tell the judge that if he does not release the Authority, the Authority will bring suit for the Authority's costs. Senator Singer said to find out who the judge is. He would like to know which judge is holding the Authority in this for nothing. Why should the ratepayer pay for this? Mr. Smith said that the judge has to have something put in front of him and both parties have to

participate. Senator Singer asked if the Authority can sue them for our monies spent. Mr. Smith said yes, the Authority can sue for attorney's costs. Senator Singer asked Mr. Smith to make a formal request when he goes before the judge. Mr. Smith said he will ask, but it probably will not be granted.

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

### **1. Resolution Authorizing Budget Modification to Mott MacDonald for Preparation of Water Quality Parameter Sampling Plan**

Initially the DEP had agreed that the plan can be limited to the southern end of our system which is where the water we purchase from Brick is contained. They changed their minds and are now requiring us to prepare a system wide plan. They sent a letter on February 8, 2017 and told the Authority that the plan is due on March 9, 2017. Mott MacDonald put together a quick proposal. The original proposal was \$4,000.00. They said they can prepare a system wide plan for an additional \$2,000.00. They were given authorization to go ahead because of the deadline. Mrs. Lapa read **Resolution #17-44 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.**

### **2. Resolution Authorizing the Competitive Contracting Process for the Purchase of Geographical Information System (GIS) Software**

This resolution is a formality. The Authority would like to use the competitive contracting process for the purchase of GIS Software. The statute states that a resolution authorizing the process is needed. Once the resolution is passed, a Request For Proposal can be put out. Mrs. Lapa read **Resolution #17-45 Authorizing Competitive Contracting Pursuant To N.J.S.A. 40A:11-4.1 et seq.** Motion was made by Mayor Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

### **3. Employee Update**

Mr. J. Flanbaum wanted to advise the Commissioners that the advertisement for the Director of the Engineering Department should be out by early next week. He will conduct the initial interviews and when there is a final candidate he will let the Personnel Committee know so they can interview the candidate as well.

## **IX. Instrumentation/IT Department Report**

### **1. SCADA System Status Report**

As of March 1<sup>st</sup> 2017 the Authority in mutual agreement has discontinued the month to month contract with CALTECH Systems, our outside contractor supporting our SCADA system. We are currently reviewing two principle alternative SCADA support contractors. The decision is based on the need to have a structured outside contracted organization that can better meet our twenty four hour seven day a week support needs which is essential in order to support our in-house SCADA personnel. With this in mind Mr. Farina wishes to assure the Commissioners that we have a solid handle on seeing through the completion of the remaining portions of the current uncompleted SCADA projects. Senator Singer asked if there are some books and other items that need to be gotten from him. Mr. Farina said yes. Senator Singer said that he is annoyed at the way he ended it. The Authority was very fair to him all these past years and this had to be cut out at a certain point. The final monies should not be released to him until we receive everything back from him. With Mr. Smith's guidance, we should send him a note with a list of everything that is open and stating that upon submission of these items, the final monies will be released. We need a trail for this in case there is a

problem. Senator Singer explained to the Commissioners what happened with the outside contractor. He was simply asked what he has left to do and when will everything be done. He was dodging giving an answer. He was being paid \$8,000.00 per month. We simply wanted to know if he needed 2 months, 3 months etc. He would not answer us. When we then pressed him to tell us what you have left to do, he quit. Now the Authority is telling him to finish up what needs to be finished up otherwise you will not be paid. Mayor Coles asked what if he does not cooperate. Mr. J. Flancbaum said that the Authority owes him a lot of money. Senator Singer said if that is the case, the Authority would have to go after him legally. This is the reason Senator Singer wants to have this sent to him in writing. Mr. Waxman asked if we can give him a time frame, by when we want the items taken care of. Mr. J. Flancbaum said he gave us a time frame last week. He told us it would take one to two weeks. The Authority owes him a lot more than he owes the Authority. Senator Singer said that the Authority is in a good position with him. Senator Singer explained that the \$8,000.00 a month pay to the outside contractor at some point had to come to an end and he did not want it to end. We were phasing him out for the past year and half.

**2. Radio/ Antenna System and Poles Status**

We have cleared the FAA permitting hurdles and are now only waiting for the Township permits with regards to the wooden pole redeployments at Well sites 2 and 3. Then we will schedule the pole work to be done. We will be holding off on completing the microwave radio project so that we can complete our current tasks at hand. However, in the meantime, I have requested a service contract quote from our radio contractor in order to insure that the presently installed equipment is supported, so that in the event of failure, this will entitle the Authority to a priority response from the radio contractor.

**IT Status Report:**

**3. Employee Safety and DHS Audit Report**

The IT Department is scheduled March 16, 2017 to have our Department Homeland Security Audit. In addition we will be working together with our safety coordinator in conducting a mandatory active shooter training session for all of the Authorities employees.

**4. AEA IT Report**

Our IT coordinator will also be hosting an AEA IT Committee Meeting at our facility in March.

**5. MUA Networking Status Update**

IT and SCADA personnel will be working with our outside contracted network engineer this month in order to upgrade our networking switches to a more advanced switch which the Authority already has in its possession. This will enhance our anti-cyber-attack capabilities.

**6. GIS Hardware Report**

Our GIS specialist will be deploying two field tablet units to assist with the feature location/identification and data capture during our annual hydrant flushing program due to start on March 13, 2017. This is going to enable efficient collection of data related to the valves and hydrants that are visited during the flushing project.

**7. GIS Software Status Report**

After the Authority's consultation with the NJ Department of Community Affairs Local Government Division, we will pursue acquisition of our desired GIS software contract by

means of competitive contracting, as mentioned previously by the Executive Director, as outlined in the New Jersey Local Government Purchasing Law.

**X. Commissioners' Report**

Mr. Waxman said that he likes the 11:00 A.M. start time for the monthly meetings. If the consensus would be to start at 11:00 A.M. he would be very happy. Mrs. Fish said she likes it as well. Mr. Waxman said that the traffic is much less. Senator Singer said it is a good suggestion. Senator Singer asked everyone if they would like it. Mrs. Fish said she would like it very much. Mr. S. Flancbaum said earlier is better for him but whatever the consensus is. Mr. Theibault said that 11:00 A.M. is good for him. Mayor Coles said earlier is better but whatever time works. Senator Singer said we will also have to ask Meir Lichtenstein.

**XI. MEETING OPEN TO THE PUBLIC**

**XII. MEETING CLOSED TO THE PUBLIC**

**XIII. CLOSED SESSION**

Senator Singer asked for a closed session to discuss personnel. The meeting went into closed session at 11:35 A.M. Mrs. Lapa read **Resolution #17-46 To Go Into Closed Session**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote** all members present voted "**Aye**". **Adopted**.

**XIV. OPEN SESSION**

A motion was made by Mayor Coles, seconded by Mr. Theibault at 11:43 A.M. to go back into open session. On a **voice vote** all members present voted "**Aye**". **Motion carried**.

**XV. ADJOURNMENT**

A **motion** was made by Mayor Coles, seconded by Mr. Theibault to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 14:43 A.M.

Respectfully submitted,

Nechama Lapa,  
Secretary, LTMUA