

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

November 6, 2013

- I. Senator Singer 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. Theibault, Mr. S. Flancbaum, Mr. Sernotti, Mr. Waxman, Mrs. Fish and Senator Singer. Mr. S. Flancbaum was seated as an alternate. The following professionals and key personnel were present: Mr. Norman Smith, Esq., Mr. Eric Frankel, 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 October 1, 2013, was made by Mr. Sernotti and seconded by Mrs. Fish. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**
- VI. **Accountant's Report**
Mr. Frankel reported on behalf of Mr. Bauer. Mr. Frankel reported that operationally the Authority remains in financially strong condition. The Operation Budget has been completed. Mr. Flancbaum and Mr. Morrill have completed the capital portions of that budget. Mr. Bauer will present the budget for approval at the December meeting. Mr. Frankel is currently working on the bank statements and getting everything updated at

the office. Senator Singer told Mr. Flancbaum that he would like a presentation of the capital expenses so the commissioners know exactly what is in the budget. Mr. Flancbaum said okay. He also discussed with Mr. Bauer that when he returns he will go over the proposed Capital Budget that we have. Mr. Bauer will set up a meeting with the Capital Budget subcommittee.

VII. Engineer's Report

1. New Hampshire Avenue Mikvah

- Resolution Granting Final Approval

The final approval is conditioned on the items listed in the Authority's letter dated October 21, 2013. The letter is in the packet. Mrs. Lapa read **Resolution # 13-118 On Site and Off Site Water and Sanitary Sewer Main Grant of Final Approval New Hampshire Avenue Mikvah**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On **roll call**, all members present voted, "**Yes**". **Adopted**.

2. NJDOT Drainage Improvements New Hampshire & Route 70

- Resolution Approving Utilities Agreement Conditioned on Engineer's Approval of Preliminary Engineering Costs and Designating Executive Director as Signer for Authority.

This is conditioned on them clarifying the scope of work for the project. Mrs. Lapa read **Resolution # 13-119 Approving Utilities Agreement Conditioned Upon Engineer's Approval Of Preliminary Engineering Costs And Designating Executive Director As Signer For the Authority**. Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On **roll call**, all members present voted, "**Yes**". **Adopted**.

3. Fire Alarm & Security Systems Installations

- Resolution Rejecting Low Bid Due to Fatal Flaws and All Bids Due to Cost Exceeding Estimate

The Authority has a recommendation for rejecting the low bid. It is also recommended to reject all other bids because they exceed the engineer's cost estimate. Senator Singer asked which engineer was used. Mr. Morrill said it was Remington Vernick. Senator Singer asked if they will go back to look at this to see why this happened. This is not satisfactory. Mr. Flancbaum said they will. Mr. Smith said that the second low bid is around \$40,000 higher than the lowest bid. Mr. Waxman asked why the difference. Mr. Smith said he did not know. Mr. Smith said unfortunately the lowest bid is fatally defective. It does not have the proper bonds that must accompany the bid and cannot be cured later. Senator Singer said he would like the engineer to look at this to rebid it. Mr. Morrill said he will see if this project can be pared down. Senator Singer said not just checking what can be pared down, see what they are doing wrong. When an estimate is done it should be reasonable. Mr. Smith said that he wanted to have on record that all bidders were notified in writing that a resolution rejecting the low bid and all the bids will be on the agenda today and they invited anyone that had a comment to appear. Senator Singer asked if there was anyone from the public that wishes to appear on this issue. There was no response from the public. Mrs. Lapa read **Resolution # 13-120 Rejecting All Bids And Authorizing New Solicitation Of Bids**. Motion was made by Mr. Waxman, seconded by Mr. S. Flancbaum. On **roll call**, all members present voted, "**Yes**". **Adopted**.

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

On October 30, 2013 the Authority received a letter from the consulting engineer. The paving was switched from the first contractor to the second contractor. The County has agreed to that. As soon as the first contractor gets the Authority the required bonds, his retainage can be released and close his project completely. The second contractor is moving forward very well. We expect him to be done by the end of the month, if not then, then the middle of December. He has approximately 320 feet of pipe left to lay. This is in the shallow area. This contractor is moving a lot faster. He is starting to make the water connections. It has been a struggle.

5. Brick Township Municipal Utilities Authority Interconnections – Project Status

This project is moving forward. On October 22, 2013 Mr. Morrill wrote a memo indicating an emergency condition existed and have opened the interconnection. The Authority does not have pumps but Brick is at a higher pressure than we are. It is being monitored and we are getting approximately 100 to 200 gallons per minute from the interconnection in its current state. The Authority is still working with the contractor trying to get the pumps brought in. The work is expected to get done by the end of November. Mr. Waxman questioned why pumps are needed if Brick is at a higher pressure. Mr. Morrill said that their pressure fluctuates. Once we increase our flow, that pressure difference will get too close for the flow to be consistent. Senator Singer wanted to inform Mr. Smith that the Brick government changed hands yesterday. Senator Singer wants to make sure that our contract is solid and that we will not have any problems. Mr. Smith said he will contact the Brick MUA's attorney. Senator Singer's concern is that in past administrations there were problems with getting this interconnection together. It was able to be done with this administration. Senator Singer does not want to find ourselves with a problem a year down the road. Mr. Waxman asked if everything is signed, sealed and delivered. Senator Singer said yes.

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

During the month of October, the Authority received the shop drawings and received the DEP permit to drill the wells. The contractor anticipates that everything will be completed by January 2014. Mr. Smith wanted to know if the Authority now knows the exact location of Well No. 5. Mr. Morrill said yes, it is on the plans. It is staked and the contractor knows where to put the hole. Mr. Smith wanted to know if he can record the deed. Do we have the metes and bounds for the 100 foot lot? Mr. Morrill said he would wait another two weeks. Senator Singer said he would like it taken care of prior to the next meeting.

7. Cellular Antennas – Project Status

On October 4, 2013 the Authority advertised for the installation of cell equipment on the Ridge Avenue Tank. On November 26, 2013 the bids will be accepted.

VIII. Attorney's Report

New Jersey Business Systems Lawsuit - Mr. Smith said he has been working closely with the IT Department, the Engineering Department and Mr. Flancbaum. This is a highly technical contract and in order to file suit, the Authority has to be able to allege in a technical way what was not functioning properly. Mr. Smith has been working all summer on this and more recently he recently realized that he needs the IT Department

input. The IT Department recently gave him a very good memo on exactly what the technical problems are. Now he can file suit. Senator Singer said that if at any point you feel that it is necessary to bring in an outside consultant on this, do not hesitate to do so. Mr. Smith said that we do have an estimate from a consultant. He anticipates that in the lawsuit it will be helpful for multiple reasons to get an outside consultant. What he has so far from the IT Department is ample to start the suit. Senator Singer said there is a lot of money involved here. He wants the number to be very high. Not just the costs, but the inconvenience, the time and loss. Most likely their insurance carrier will be the one that we will be dealing with. Mr. Smith acknowledged that he will do as Senator Singer requested.

Mr. Smith said that he received some easements. It turns out that the developer's attorney used the description provided by Flannery Webb and Hansen. After the deeds were recorded, Flannery Webb and Hansen provided amended descriptions. The attorney, Mr. Adam Pfeffer, brought it to his attention. He asked Mr. Smith what to do, can we just leave it. Mr. Smith said that after looking at it carefully he said to refile the corrective deeds.

IX. Executive Director's Report

1. Resolution awarding Laboratory Testing Services contract to Precision Analytical Services, Inc. and J.R. Henderson Labs, Inc.

On October 16, 2013, proposals were opened for Laboratory Testing Services. Two proposals were received, one from Precision Analytical Services, Inc. from Toms River and the second from J.R. Henderson Labs, Inc. from Beachwood. In accordance with the competitive contracting rules, a memo was drafted to the commissioners, which were handed out. The memo recommends awarding contract to both companies. It should be noted that the overall proposal from Precision Analytical was actually lower than J.R. Henderson Labs. Precision Analytical was ranked number one and J.R. Henderson number two. Mrs. Lapa read **Resolution # 13-121 Awarding Contract For Laboratory Testing Services**. Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On **roll call**, all members present voted, "**Yes**". **Adopted**.

2. Resolution awarding contract for telephone system upgrades

On October 17, 2013, proposals were accepted for the telephone system upgrade. Two proposals were received. The first proposal was from Telequest Communications Technologies, Inc. of Edison in the amount of \$14,632.00. The second proposal was from Nu-Tel of Fairfield in the amount of \$17,118.00. This includes a credit of \$3,177.00 for trading in our existing equipment. Mr. Flancbaum met with both companies. Mr. Flancbaum was able to contact four references for each company. Three out of four references for Telequest, the lowest proposal, were very negative. Comments ranged from they are okay to please do not use them. Three out of four references for Nu-Tel were very positive. They were extremely satisfied with the service and installation. One reference was negative. They had a billing dispute with Nu-Tel and therefore had to go with a different company. With something as vital as a telephone system, we are recommending awarding the contract to Nu-Tel, although they were \$3,000.00 higher. We would rather not get involved with a company that has bad references. The references we received were from municipalities, organizations like ours, and they were very negative. Senator Singer asked Mr. Smith what has to be done to protect the Authority in this situation. Mr. Smith said that the Authority does not have to award

under the competitive contracting to the lowest proposal. Senator Singer said in his opinion he feels that every conversation should be documented in writing, who was spoken to and when the calls were made etc. A file should be set up on this and Mr. Smith should oversee it. In case there happens to be at all a problem, you should be able to access the information and not have to scurry around to find out what happened. Senator Singer said that if you recommend going with Nu-Tel, the higher proposal, he has no problem, if you follow Mr. Smith's direction with setting up a file. Mr. Flancabaum said that he has everything memorialized, names, agencies, times etc. He will forward the information to Mr. Smith. Senator Singer asked the commissioners if they are okay with it. Everyone acknowledged that they were okay with it. Mr. Smith said the resolution awarding the contract to Nu-Tel should be contingent upon his letter approving the criteria. Mr. Smith said he will get out the letter this afternoon. Mrs. Lapa read **Resolution # 13-122 Awarding Contract For New Avaya IP 500 Telephone System With Voicemail**. Motion was made by Mr. S. Flancabaum, seconded by Mr. Sernotti. On **roll call**, all members present voted, "**Yes**". **Adopted**. Mr. Theibault questioned if it would be more profitable to the Authority if the Authority were to sell the equipment on their own. Senator Singer said he has a problem with selling equipment because there is a liability aspect and he does not want to get involved in something like that. If the Authority sells it and then it does not work, it will come back here. Mr. Theibault said that usually it is sold as is. Mr. Flancabaum said yes it is sold as is. There are different websites where government entities sell their products. There is a lot involved with it. This phone system is about fifteen years old.

Senator Singer asked Mr. Smith to write a letter to the Municipal Manager of the Township regarding picking up the trucks. If they do not pick up the trucks, the Authority will dispose of them. It is ridiculous to have them sit here and rot. The Authority needs to know within the next thirty days what they want done with them. Senator Singer would like to be carbon copied on this letter.

3. **Resolution awarding contract for snow plowing services for 2013-2014 season**
On October 16, 2013 a proposal opening was conducted at which time the Authority did not receive any proposals. Direct negotiations were entered into with Snow Services, Inc. formerly known as Concepts, Inc. This is the same company the Authority used last year. Their price is the same as last year; \$2,500 per month which covers up to fifteen inches of snow or three occurrences. The contract is from November 1, 2013 through March 31, 2014. Mrs. Fish asked what happens after fifteen inches on snow. Mr. Flancabaum said that you get charged in increments. If it snows sixteen to twenty inches, there is an additional charge of a certain amount of dollars etc. Mr. Flancabaum said that last year it snowed before Halloween. Two years ago it snowed two feet in early December. Mrs. Lapa read **Resolution # 13-123 Awarding Contract For Snowplowing Services For Winter Season 2013-2014**. Motion was made by Mr. S. Flancabaum, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.
4. **Resolution authorizing advertising of a Request for Proposals for interior office fit up**
Mr. Flancabaum would like official authorization to post a Request For Proposal on our website for interior office fit up for the CFO and IT office. The Authority already received one proposal so far. It was from Gavan General Contracting, Inc. for \$12,000.00. Mrs.

Lapa read **Resolution 13-124 Authorizing The Advertisement Of A Request For Proposals For Interior Office Fit Up**. Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**. Senator Singer mentioned that if there is anything else that needs to be fixed, list it. Once workers are in, it might as well get done then.

5. NJUA JIF Loss Control Report

On September 11, 2013 a risk control specialist met with our Safety Coordinator, Harry Robbins to conduct the JIF's annual lost control field survey and no suggestions for improvement were noted. Mr. Flancbaum would like to say thank you to our operators and safety coordinator for always striving to ensure that our sites are safe and free of hazards. That was noted in the report that the Authority received.

6. Tax Sale Results

The tax sale continues to be a tremendous success. When the tax sale list was initially generated, there was approximately \$230,000.00 in delinquent balances. Prior to the tax sale the Authority collected approximately \$165,000.00 and about \$65,000.00 at the tax sale.

7. Lakewood Cogen-Modification to current agreement

The Authority is growing and is considering different options how to be able to generate and distribute more water. One option is modification to the agreement with Lakewood Cogen. 2.6 million gallons per day is reserved for Cogen. The Authority is obligated to provide eight hundred gallons per minute in supplemental service should they need it. This has always been a fine juggling act, especially during the summer peak season. Cogen historically has never used anywhere close to their allocation in accordance with the agreement signed with them in the late 1980's. Around six months ago, it was discussed with Cogen about modifying the agreement we have with them, about taking back some allocation for Authority use, since they do not use it any way. Cogen was receptive to the idea and actually came back several weeks ago to the Authority with a draft modification to the agreement. Cogen would reduce their allocation around 800,000 gallons a day, from 2.6 million to 1.8 million per day. This would free up around 290 million gallons per year for the Authority. Cogen requested that they be priority over irrigation users in the summer. Even though the Authority is obligated to give Cogen 800 gallons per minute, we do not always do that. We work with each other. Mr. Flancbaum wanted to bring this to the attention of the commissioners. This is an ongoing negotiation. This is where we are starting at. It has to be reviewed. But it would be a tremendous benefit to the Authority. Senator Singer said that it would be equivalent to putting in a new well. Mr. Waxman questioned on average, how many gallons does a well produce. Mr. Morrill replied that the Cohancey typically produces 400 gallons per minute. Mr. Morrill said that the biggest problem with this is that the Authority's monthly allocation is 188 million gallons per month. The Authority at peak typically uses approximately 120 to 125 million gallons per month. On the books, the Authority has allocated to Cogen 78 million gallons. The Authority only has 110 million gallons. If you look at the numbers, the Authority is short. When the Authority has previously gone to the DEP and asked for an increase in monthly allocation, they answered you have plenty of water, no one uses that much. Mr. Morrill said that he answers that the Authority is obligated to have it available for Cogen. If Cogen takes the amount they are allowed, it will be a problem. The DEP said it is not their problem. Mr. Morrill said this modification

with Cogen will be helpful to the Authority. Mr. Waxman asked when the agreement with Cogen expires. Mr. Flancbaum said it never expires. Senator Singer it cannot because the plant needs water to operate. Cogen has to strip the Authority's water to remove chlorine and chemicals. They have their own wells and they have to treat them. Mr. Theibault questioned if the Authority is still taking the water in the winter time and pumping it back. Mr. Flancbaum said yes. This is another source of getting more allocations for the Authority.

Mr. Flancbaum has two items to add on to the agenda:

8. Personnel Committee

The Personnel Committee, Mrs. Fish and Mr. Coles, met last week to discuss certain salary increases for employees. Mr. Flancbaum would like to review this with Mr. Bauer before presenting the information to the commissioners. Mr. Flancbaum will have more information for the next month's meeting.

9. Personal Appearance Policy

The Authority's labor attorney developed a Personal Appearance Policy for the Authority. Mr. Flancbaum was at a Human Resources Meeting at the AEA a couple of weeks ago. There was a presentation given by a labor attorney. It was recommended that all agencies should adopt similar policies, especially agencies that are growing. Most private companies have policies on the books. Mr. Flancbaum handed out a policy to the commissioners. The policy says that it is vital for Authority employees to have a professional appearance when dealing with the public. Senator Singer asked if the field employees wear uniforms. Mr. Flancbaum said that the field employees wear uniforms. Senator Singer said that it should be added to the policy that the field employees have to wear the uniforms provided them. Mr. Flancbaum said that if any of the commissioners feel that anything else needs to be added or modified they should let him know.

X. Instrumentation/IT Department Report

Mr. Farina reported that work is progressing with regards to the SCADA equipment switchover at the Shorrock Street Water Treatment Plant. Whereas we have the electrical contractor contracted to install the new and final RTU panel along with related conduits. We have been working in house removing all unused and unmarked wiring and spares in the existing conduits which will result in a safer and less time consuming wiring switchover. This will produce a tremendous savings instead of contracting electrical contractors to perform said task.

We have also taken on the task of performing in house water flow meter calibration checks at our various well sites in place of having an outside contractor come out to the site and perform the task.

There are still some outstanding instrumentation and electrical issues that are related to the New Hampshire Avenue Water Treatment Plant build up that we are following through in order to make certain that the contractors completely fulfill their responsibilities.

In regards to our wireless radio system, we are currently working on an attempt to have cablevision serve as the carrier for all of our remote site video surveillance and security

needs. This promising strategy will then enable us to reduce the bandwidth load on our radio system making it far less sophisticated to maintain including less expensive hardware and greater system reliability. We are currently engaging cablevision via a representative to ensure they can support all of our remote sites. Mr. Farina said that it was his belief from day one that the Authority has a far too sophisticated radio system for its needs. We will find out within the next week if it is successful. It will greatly reduce the load on that system. Smaller radios will be able to be purchased and then we can get rid of a lot of in-house equipment that requires far too much knowledge to maintain.

Our department is in the process of installing another video camera here at the New Hampshire Avenue Complex. This one will be a live feed of the Operations vehicle gate. Also this month we have taken an extremely productive trip to the Mount Holly MUA to observe their data collection and organizational practices. We are in the process of evaluating how we might best implement certain changes.

In an effort to follow up on the Commissioners' desire to reduce the amount of paper used in these meetings, we would like to present the option of having the agenda up on the screen and slowly transitioning away from paper agendas. This is a beginning step that we hope will lead to greater efficiency and more environmentally sound practices. Senator Singer said he thinks this is an excellent idea. The commissioners will be emailed the agenda, which can be downloaded in your office or viewed online. Instead of having a paper agenda here, it will be up on the screen. Senator Singer asked if this works for everyone. Mr. Waxman said it is not his preference but he will go along with it. Mr. Flancbaum said the meeting packet will be modified how it is emailed. As opposed to having five documents, Mr. Copeland is working on different ideas on how to modify it. Senator Singer said if someone would like they could have the two page agenda at their place for the meeting, not the backup. Mr. Smith questioned if the backup will be emailed. Senator Singer said everything will be emailed to all. Mr. Sernotti asked if it the agenda will be up on the screen, why is it necessary to print out agendas. Mr. Theibault said in case someone would like to write notes. Mr. Sernotti said that pads of paper are given out for notes. Mr. S. Flancbaum said that what is needed is I-Pads. Senator Singer said that we will take it slowly. At the next meeting there will be agendas at everyone's place. If we see that it is not needed, then we can eliminate that. Mr. Sernotti asked if the backup documents will be up on the screen so when for example the engineer is referencing a letter, it will be on the screen. Mr. Morrill said that he believes the idea was that the documents will be emailed beforehand. Senator Singer said he thinks Mr. Sernotti is asking if there is an issue can the backup on it be put on the screen. Mr. Flancbaum said yes, the entire packet will be up on the screen so we can scroll from one thing to the next. Mrs. Fish asked if this will be a trial basis. Senator Singer said yes it will. Mr. Flancbaum said that it will be modified as it goes along. Mrs. Fish said she likes holding a document. Mr. Theibault said he likes to get them because likes to jot down notes in the packet. Senator Singer said that he thinks we should try this on a trial basis. Senator Singer said that an I-Pad or tablet was suggested. Let us take a look at it. Perhaps it can be given to Mrs. Fish so that she has something to read at the meeting. Mr. Flancbaum said an entire day is spent on the packets. Senator Singer said the physical delivery alone would pay for one of the readers. Readers are inexpensive. Mr. Flancbaum said one was just purchased for \$230. Senator Singer said that Mrs. Fish will use it at the next meeting.

Senator Singer said he understands that interviews are being held for a third person for the IT Department. Mr. Flancbaum said yes. Senator Singer asked if this person will move into the new office. Mr. Flancbaum said yes, either the new employee or Mr. Farina. Senator Singer said to keep in mind of what you would like done in that office while the construction is being done.

XI. Commissioners' Report

Mr. Waxman congratulated Senator Singer on winning the election. Senator Singer thanked him and appreciated his help. Mrs. Fish congratulated Senator Singer on a well-deserved winning. Senator Singer thanked Mrs. Fish.

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 Mrs. Fish to approve the Operating Vouchers in the amended amount of \$695,824.73 minus a credit. Mr. Flancbaum said that there will be a credit in the amount of around \$300 from AEA. On a **Voice Vote**, all members present voted, "**Aye**". **Motion passed.**

XV. CLOSED SESSION

XVI. OPEN SESSION

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 10:45 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA