



Board of Commissioners

Senator Robert Singer, Chairman

Raymond Coles, Commissioner

Anne Fish, Treasurer

Samuel Flancbaum, Assistant Secretary

Michael Sernotti, Commissioner

Craig Theibault, Alt. Commissioner

P. G. Waxman, Vice Chairman

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

June 10, 2014

- I. Senator Singer opened the meeting at 10:00 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 7, 2014 and The Tri Town News on February 12, 2014.
- 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. Coles, and Senator Singer. Mr. Theibault and Mr. Flancbaum were seated as alternates. The following professionals and key personnel were present: Mr. Norman Smith, Esq., Mr. Gerwin Bauer, Auditor, Mr. Justin Flancbaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Paul Morrill, P. E., Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation Department Supervisor.

Mr. Waxman arrived at 10:01 A.M. Mr. Waxman commented that the clock in the Conference Room is fast. Either the clock should be calibrated or a new clock should be purchased to ensure that meetings do not start early.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting held on May 6, 2014, was made by Mr. Coles and seconded by Mr. S. Flancbaum. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

Mrs. Fish arrived at 10:02 A.M. Mr. Theibault is no longer seated as an alternate.
- VI. **Chief Financial Officer Report**

LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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Mr. Rappoccio handed out a financial report for period ending March 31, 2014. The first column shows the actual results through March 31, 2014. The second column is the budget through March 31, 2014. The budget is an annualized budget. The lines of the budget are not shown on the report. You take the full year budget and divide it by twelve and then times it by five. Then you see the actual Annual versus Budget comparison. The Authority's total revenue as of March 31, 2014 is \$3,463,106.00. As you can see the Authority is ahead of the budget in the amount of \$283,441.00. The main driver for that increase is due to the fact there are approximately forty three new accounts to the system since November 1, 2013. Only twenty five new accounts were budgeted for in the system. Therefore the increase is due to higher connection fees and residential service revenue. Senator Singer reminded Mr. Rappoccio that the sewer and water revenues need to be kept separate. Mr. Rappoccio continued with the expenses. The expenses are broken down into three main categories. 1. Salaries, Benefits and Taxes 2. Administrative 3. Operating. The expenses are fairly close to the budget. The Authority is only \$40,000.00 ahead of the budget. This means that there are \$40,000.00 of higher expenses as of March 31, 2014. Mr. Rappoccio and Mr. Flancbaum reviewed all the expense lines. Mr. Rappoccio created a report that shows all the expense lines by budget line so that we can look at each line and analyze it, which was done. There are a few areas where there seems to be an opportunity where some work can be done for next year's budget. Right now there is nothing that looks out of the ordinary. Senator Singer questioned where the \$40,000.00 was spent. Mr. Rappoccio said there is some timing going on over here. The payment for the sewer insurance is paid in the first quarter of the year and the budget is not seasonalized correctly. So that is coming through. There was more snow removal than was actually budgeted. Also, there is a higher meter cost because more connections were done. Several expense lines have higher expenses, but nothing out of the ordinary. There was a little higher water purchase and a little higher deficiency on the OCUA expense. Senator Singer asked if the commissioners can expect in the future to receive on a monthly basis where the budget for a line item was exceeded. Mr. Rappoccio said that he has that information but wanted to keep it at a higher level for this meeting. He does have all that information here. Senator Singer said his concern is that when there is a \$40,000.00 deficit spending, is that money being taken from surplus or other line items. Mr. Bauer said the Authority is not like a normal governmental job. The Authority can exceed line items if there is additional revenue in the income area. Senator Singer said that it is okay as long as there is income to offset it. Senator Singer does not want the surplus used unless the commissioners are told. Mr. Rappoccio said that some of the higher expenses you see here might disappear as the year goes on. Mr. Flancbaum said that he and Mr. Rappoccio will meet regularly every two weeks to review the entire operating expenses and revenue. Mr. Bauer said the major concern is to stay within the 110% debt service coverage. Mr. Bauer went over all the line item in detail with Mr. Rappoccio and is very happy with the progress he is making. Senator Singer wanted to inform the commissioners that the billing will be coming under Mr. Rappoccio's responsibility. The billing has been one area of accounting that has been problematic. In the past, when the meter readings did not come out right they were charged the minimum usage amount. Now when a meter is not reading correctly someone is sent out to look at the meter. This is taking a huge amount of time. The billing is the crux of the Authority's business. The bills have to be correct. So it made the most sense to put this under accounting. It is the biggest accounting issue the Authority has. Having one person in the billing department that understands the system backwards and forwards is

disastrous. There will be times that the Authority will have to depend on the vendor. So the Authority will start to make it into a situation where it flows itself. Also, because of the Tax Sales being held in previous years, the tax sale this year is much smaller than ever before. Accounts are being paid and therefore it is becoming a manageable number. Senator Singer asked Mr. Flancbaum how much is on for tomorrow's tax sale. Mr. Flancbaum said that as of yesterday there is still \$105,000.00 outstanding. Senator Singer said that this is small amount compared to the past.

Mr. Bauer said he met with Mr. Rappoccio and went over any questions he had and information he needed from the auditor. Mr. Bauer made some recommendation which were already instituted. Mr. Bauer is very happy with how things are progressing

VII. Engineer's Report

Mr. Morrill would like to add one more item to his agenda. This is for Well No. 2. Well No. 2 is being reconstructed. It was found that the polyethylene tubes that were being installed were not acceptable. They were asked to go to two inch PVC Flush Joints. Also, the stainless steel wire was still at the bottom. The Authority authorized \$4,400.00 to have the wire removed. They did an excellent job getting it out of the well. The Change Order is for changing to the PVC Flush Joints and removing the wire. The total amount for the Change Order is \$7,052.00. Mrs. Lapa read **Resolution # 14-59 Authorizing Change Order No. 1 Modifications to Well No. 2**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On **roll call**, all members present voted, "**Yes**". **Adopted.**

1. The Avenue Shoppes Retail Development

- Resolution Ratifying Technical Approval
- Resolution Accepting Terms of Developer's Agreement

A phone poll was done to authorize technical approval and it needs to be ratified at this meeting. Technical Approval is conditioned on the consultants review letter dated May 16, 2014. Senator Singer said that the Township called and asked to get things moving quickly as time is of the essence. This is a development next door to the Authority. Mrs. Lapa read **Resolution # 14-57 Grant Of Technical Approval The Avenue Shoppes**. Motion was made by Mr. S. Flancbaum, seconded by Mr. Waxman. On **roll call**, all members present voted, "**Yes**". **Adopted.**

A Schedule B for the Developer's Agreement was sent out to everyone. Mrs. Lapa read **Resolution # 14-58 Authorizing The Execution Of The Developer's Agreement The Avenue Shoppes**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

2. Installation of Blow-off Hydrants and the Repair of Valves and Boxes

- Resolution Awarding Change Order #3 for Professional Services Contract
- Resolution Rejecting All Bids or Awarding Contract

There is a change order from the engineer in the amount of \$4,455.00 for changes in the specifications that were requested by the Authority. Mrs. Lapa read **Resolution # 14-60 Authorizing Change Order No. 3 Installation Of Blow-Off Hydrants And The Repair Of Valves And Boxes**. Motion was made by Mr. Coles, seconded by Mr. S. Flancbaum. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Only two bids were received for this work. Both bids exceeded the Authority's budget for the project. Senator Singer said that the Authority should rethink the project. Senator Singer asked which engineer did the work. Mr. Morrill replied Ernst, Ernst and Lissenden. Senator Singer said that they are no longer in business. Senator Singer has a concern and wants to speak with the engineers about it. If they see that the project scope is so much larger than the Authority is looking to spend, they should tell us up front. This does not make sense. Let us re-evaluate where we want to go with this. The Authority does not want to spend more than is in the budget this year for this. This project is not a one year project. It can be broken up. The engineers have to start giving the Authority an alert when they see this. Mr. Morrill said he agrees. Mr. Morrill said that the Authority has not lost all the effort because we now have the specifications. These specifications can be used when put out to rebid. The scope of the project can be lowered. Senator Singer said it should be budgeted for a three year project. Do a third of the project each year. Mr. Morrill said he was hoping to just reduce the scope and work with the contractor. But there were some numbers in the contract that were not open to that. Mr. Smith said he was asked for an opinion on this. Mr. Smith said after reviewing the specs he said it cannot be done that way. Senator Singer said to rebid it into three smaller parts and to figure out which part to start with. Mrs. Lapa read **Resolution # 14-61 Rejecting All Bids Installation Of Blow-Off Hydrants And Repair Of Valves And Boxes.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

3. Repair and Replacement of Sanitary Sewer on Redondo Lane Phase II

- Resolution Awarding Change Order #3 for Professional Services Contract
The Change Order is in the amount of \$7,289.00 to close out the engineer's efforts on this project. Mr. Flancbaum wanted to inform the commissioners that the work was finished and the final pavement was installed last Friday. Mr. Flancbaum drafted a letter to the residents of the area. Mr. Flancbaum said he received a few phone calls thanking the Authority for the nice job. Mrs. Lapa read **Resolution # 14-62 Authorizing Change Order No. 3 Redondo Lane Sanitary Sewer Extension Phase II.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

4. Wells #5 & #8 Relocation and Redrilling

- Resolution Awarding Change Order #2
Approval from the DEP was received for changing the grading at the site. Film materials needs to be put on the adjacent property owner's site. So the Authority contacted the adjacent property owner. A meeting was held with him. The only thing the owner wanted was a letter from his engineer stating that it would not impact his drainage. Senator Singer wanted to know who this is. Mr. McGregor said it is 100 Syracuse Court. It is an industrial warehouse building. Mr. Flancbaum said his engineer wrote a letter that it is not a problem. The new Well No. 5's production went from 250 gallons per minute to 450 gallons per minute. The contractor asked for \$850 to change the pump design so we can use the water that was authorized. Mrs. Lapa read **Resolution # 14-63 Authorizing Change Order No. 2 Relocation And Redrilling Wells No. 5 And 8.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

5. Wells #9 & #16 Maintenance

Resolution Awarding Change Order #1

There is a handout for this item. The Authority found serious problems with the pumps. These are cast iron pumps and they were deteriorating because of the iron content and acidity of the water. The pumps had to be replaced. This is a significant change in the contract. The Change Order is in the amount of \$16,535.00. The Authority needed to get the pumps back online and felt that this was a definite procedure to go to, to get this repaired. Senator Singer asked how old the pumps that were in there. Mr. Morrill said not too old, only four years. The cast iron was soft. The pumps being used now are stainless steel. The good news is that they are stainless steel submersible pumps. We looked at just replacing the pump at Well No. 9. The cost was \$12,000.00 and it would take eight weeks to get. By going to a submersible pump the price is just slightly higher in price by \$2,000.00 and it can get delivered within four days. This company said that whenever the Authority has to look at the submersible pump, they can pull the entire column out as one piece, as opposed to the vertical turbine where the motor has to be removed. The same pump is being installed at Wells No. 9 and 16. Now we would be able to have a replacement pump on site. If anything happens within a few days we can have the entire pump pulled, replaced and dropped back into the hole. Mr. Smith said that this has to be advertised. Mrs. Lapa read **Resolution # 14-64 Authorizing Change Order No. 1 Wells No. 9 And 16 Maintenance**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

6. Woodlake Sanitary Sewer Improvements Phase II

Resolution Awarding Professional Services Contract

This is to award a contract to Flannery Webb and Hansen Associates for revisions to construction drawings which will be the actual construction drawings for Phase Two of the sanitary sewer. This will be put together with specifications from Owen, Little and Associates. The cost of Phase II is a lump sum of \$4,250.00. It does not include the cost of reproduction of the maps that will have to be used for bidding. Those costs will be covered by the charge to the contractors when they pick up the bid specifications. Mrs. Lapa read **Resolution # 14-65 Awarding Contract Woodlake Sanitary Sewer Improvements Phase II**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

7. New Hampshire Heights

Resolution Granting Conceptual Approval

On June 2, 2014 GTS Consultants issued conceptual review two. The Authority can now grant Conceptual Approval based on the conditions of the letter of June 2, 2014. Mrs. Lapa read **Resolution # 14-66 On Site Off Site Water And Sanitary Sewer Extension Grant Of Conceptual Approval New Hampshire Heights**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

8. Tuscany II

Resolution Accepting Terms of Developer's Agreement

Mr. Waxman will not vote on this item.

The Schedule B was sent out. The highlights are that the developer will contribute \$125,000.00 towards the construction of an offsite trunk sewer. They will also construct

an offsite water main that will connect the County Line water system to the Ridge Avenue water system. The Authority had originally hoped to get all the way up to Brook Road. Mr. Morrill feels that it this is excellent to include in this project and will loop our water system. County Line is really the problem area. At this time the Authority can accept the Developer's Agreement. Mrs. Fish asked who the developer is. Mr. Flanbaum said Jack Klugman. Mrs. Lapa read **Resolution # 14-67 Authorizing The Execution Of The Developer's Agreement Tuscany II**. Motion was made by Mr. Coles, seconded by Mr. S. Flanbaum. On **roll call**, Mr. S. Flanbaum, Mr. Coles, Mrs. Fish and Senator Singer voted "**Yes**". **Adopted**.

9. Spruce Street School and Dormitory

- Resolution Releasing Performance Guarantees

Mr. Morrill is recommending release of Performance Guarantees contingent on letter dated May 14, 2014. Mrs. Lapa read **Resolution # 14-68 Release Of Performance Guarantee Congregation Nachlas Yisroel**. Motion was made by Mr. Coles, seconded by Mr. S. Flanbaum. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

10. Honda Universe Illegal Connection

- Resolution Releasing Escrow

The as-built drawings for the project have been completed. There are additional escrow funds. At this time we will release the remaining funds since the project is closed. Senator Singer questioned what happened with the illegal connection. Mr. Morrill said that it was found that they had a water connection that was not metered. Mr. Waxman asked if they paid retroactively. Mr. Morrill said that we came to an agreement that they would pay to have as-built drawings prepared. They installed a meter with a backflow preventer. They eliminated the storm drainage into the Authority's sanitary sewer. The people that the Authority is dealing with now are not the ones that did it. By the time it was found out it was years and years later. Mrs. Lapa read **Resolution # 14-69 Releasing Escrow Honda Universe 1085 Ocean Avenue Route 88**. Motion was made by Mr. S. Flanbaum, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

11. County Line Manor Synagogue

- Resolution Releasing Escrow

The escrow account can be released conditioned on the terms of the letter. Mrs. Lapa read **Resolution # 14-70 Releasing Escrow County Line Manor Synagogue**. Motion was made by Mr. Waxman, seconded by Mr. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

12. Update of Rules and Regulations

- Motion Approving Changes to the Rules and Regulations

The details of the revision that were made to the Rules and Regulations are in the packet. The Authority is trying to modify the deep house connection and detail twenty seven which is also referring to the deep house connection. We also made sure that all items were in the correct location in the Rules and Regulations. A motion to approve the update of the Rules and Regulations, was made by Mr. Waxman and seconded by Mr. Coles. On a **voice vote**, all members present voted "**Aye**". **Motion carried**.

VIII. Attorney's Report

New Jersey Business Systems Lawsuit – Mr. Smith sent out interrogatories and they were not answered. Their time is up. They sent the Authority interrogatories and they were not answered yet. Our time is up. This is par for the course in these things. Time schedules are very loose. A case manager meeting with the judge was held. The other attorney is pressing very hard for mediation. Mr. Smith said he cannot go to mediation unless he gets answers to the interrogatories. Otherwise he will not know what to say. But Mr. Smith said he can tell him right now what the Authority's demand and here is where he got it from. It is going to cost the Authority approximately \$420,000 to correct the changes needed. The Authority has a hard experts report and bills to reflect this. There is also a claim for consumer fraud under the Consumer Fraud Act because of misrepresentation by the contractor. You get treble damages. Mr. Smith said his demand is \$1,200,000.00 and change. Mr. Smith told the other attorney to give an offer. He declined to give an offer. Mr. Smith said that in the judge's chambers he told the insurance attorney we are very willing to discuss a reasonable settlement. Give me an offer, we will sit down and discuss it. They did not give an offer. Mr. Smith is dealing with the attorney from the insurance company.

Senator Singer asked Mr. Smith to keep an eye on the Sudler issue. He is very concerned about it. Mr. Smith said he had a conversation with Mr. Flancbaum about it. After the meeting today he would like to sit down with Mr. Morrill and Mr. Ponsi to discuss this and make sure it is done.

IX. Executive Director's Report

Mr. Flancbaum has one item to add onto his report. A proposal from Trident Environmental Consultants was received last night in relation to the Woodlake Pump Station elimination project. A meeting was held last week in Trenton with the DEP. They advised that a habitat evaluation is necessary in order to move forward with the design and the wetlands approval process. The Authority solicited a proposal from Trident Environmental Consultants. They have done the wetlands delineation and they are favored by the DEP. The DEP says to use them. The evaluation proposal is for \$2,500.00. If habitat is found and further work is required there will be additional costs. Mrs. Lapa read **Resolution # 14-71 Awarding Contract To Trident Environmental Consultants To Perform Habitat Evaluation**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**".
Adopted.

1. Resolution authorizing the adoption and execution of a linking authorization contract

Mr. Flancbaum said that Authority would like obtain procurement cards. Procurement cards are basically credit cards for government entities. They have defined spending limits. The agency can control the vendors that are charged. Better deals can be gotten online for certain items and if you shop online, a credit card is needed for these purchases. There are certain requirements that the State has set forth for these cards. The State has set forth some training that the Chief Financial Officer is supposed to oversee. Some of the training includes that the procurement cards are of course only for official business. Cash Advances cannot be made. Improper use may result in disciplinary action up to termination of employment. Only the employee whose name appears on the card can be use the card. Senator Singer asked how many cards is the

Authority looking to get. Mr. Flancbaum said three or four cards for the department heads. Senator Singer said he would like Mr. Smith to prepare an official document signed by each person that will receive the procurement card. They should understand that misuse of the card is grounds for dismissal and that they understand that they are responsible for anything that is unauthorized. Senator Singer also wants an authorization from either the CFO or the Executive Director before a card is used. An authorization form needs to be made for this. This will help with keep track of the charges. Limitations can be put on each card. Mr. Flancbaum said the State of New Jersey has a contract with FIA Card Services. If your agency uses the procurement card from the State, the State mandates that you execute a written authorization contract with FIA Card Services. Senator Singer asked if there are mileage benefits on this card. Mr. Flancbaum said no. Senator Singer said the regulations of card use that was discussed earlier has to be made up front. That being said if there is a situation where an authorized user of the card is in the field and needs a small item from Home Depot he does not need to come in to the office for authorization. A dollar amount should be set up front what amount can be spent without prior authorization. Procurement Card users have to bring in their receipts to the office and attach it to a form so that it can be matched up when the bill comes in. If a receipt gets lost, the form should be filled out with all the information and document that the receipt was misplaced. As long as the controls are in place Senator Singer said he has no problem with this and he asked the other commissioners if they have any problem with the cards. They did not. Senator Singer said that the resolution can be adopted based on the controls and regulations that were discussed. Mrs. Lapa read **Resolution # 14-72 Authorizing The Adoption And Execution Of A Linking Authorization Contract**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On **roll call**, all members present voted, "**Yes**". **Adopted**.

2. Resolution awarding landscape maintenance contract for 2014 season

A RFP opening was conducted May 16th, 2014. No proposals were submitted. The Authority solicited a proposal directly from Meticulous Landscaping, same company as last year. At last month's meeting Mr. Flancbaum was directed to look into multiple year contracts. Multiple year contracts would put the dollar amount over the bid threshold. So we would like to go with a one year contract. Meticulous held the same price as last year at \$3,285.00 per month for seven months. The total amount comes to approximately \$23,000.00. This covers all the facilities and all the maintenance. Mrs. Lapa read **Resolution # 14-73 Awarding Contract For Landscape Maintenance**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

3. Consumer confidence report 2014

This year, as opposed to mailing the entire report to all the customers, the State is allowing water purveyors to mail postcards advising them that Consumer Confidence Report is available on our website. The exact link is given where to find the report. Mr. Flancbaum showed the commissioners what the post card looks like. The post card will be going out in the next week or two. The Brick MUA's water quality information is now also included, as we are now purchasing water from them. We received their CCR and we included their information as well. Senator Singer asked if the Authority is done with New Jersey American Water Company. Mr. Flancbaum said that the Authority is on a

scale down for the next three years. Therefore our CCR has information from New Jersey American Water Company also.

4. Qualified electrical journeyman

Mr. Robert Farina is officially approved by the State as a qualified electrical journeyman. This is excellent news. This now allows us to perform high voltage electrical work in house. Mr. Farina can now oversee other employees do the electrical work. This is a phenomenal improvement for our operations. Mr. Flancbaum would like to thank Mr. Farina for taking the initiative.

5. Greg Briody-electrical technician

As discussed earlier in the year, with the Personnel Committee, a decision was made to train one of our operations/field staff as an electrical technician. Greg Briody has shown that he is capable of the work. Mr. Farina said Mr. Briody would be an excellent addition. A \$2,500.00 stipend will be given to him. A motion to approve the stipend, was made by Mr. Coles and seconded by Mr. Waxman. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

6. Billing Clerk-new hire

As mentioned earlier, the position for a billing clerk was advertised. It was discussed that a billing department should be created. Mr. Flancbaum met with Mr. Rappoccio and Ms. Rochelle Miller, the billing clerk to discuss that Ms. Miller will become the department head. This will come under the auspices of the CFO. Interviews will start in the next couple of weeks for the assistant billing clerk position. As Senator Singer mentioned earlier having more qualified employees under the department head and the CFO we will keep improving the way we bill, operate and collect money. Senator Singer said he wants the commissioners to understand that to generate the bills you do not just press a button and have the bills. The system is a complicated system and it has to be. This is the nuts and bolts of the billing and where the money comes from. It was an absolute disaster previously. It has to be maintained. As of now there is only one person that is totally qualified. Ms. Gaynor can step in if needed but she will tell you that it is very involved. None of the other employees can do the billing if Ms. Miller is not available. It is very involved and complicated. You have to know what you are doing. A lot of money was spent on training. Edmunds can come in to help but Edmunds has had problems recruiting people themselves. They had some people leaving. Senator Singer asked around if there is a better system. He was told that there is not another system out there that is better. Getting a good billing clerk is the same issue we had when trying to hire licensed operators. The good licensed operators are staying at their jobs. We have to train in house.

7. Physical connection permits for Mikvahs

The Authority received a call from the DEP a couple months ago notifying us that Mikvahs require physical connection permits. It was thought that physical connection permits are required in buildings where there are actual cross connections between the potable and non-potable systems. The DEP has advised that any building that has potable and non-potable systems, even if there is no cross connection, requires a physical connection permit. At this time, the Authority has two customers that are a mikvah, in the future there will be a third. We reached out to both of them. One of them already applied for the permit last week. This entails getting a certified tester to test the

back flow preventer. This has to be done on a quarterly basis. We sat down with them and explained process to them. The second mikvah should be submitting their application this week. They got their back flow preventer tested last week. Mr. Flancbaum said he spoke with several consulting engineers and they were unaware of the fact that a physical connection permit was needed for a mikvah. The Authority is now on top of it and will make sure that it is done as part of future applications. Senator Singer asked who get the back flow preventer report, the Authority or the DEP. Mr. Flancbaum said it is the owners' responsibility to report it to the DEP with a carbon copy the Authority and the plumbing sub code official. The Authority always requires back flow preventers as part of the typical review process for commercial buildings. Now as part of the process the Authority will make sure that they have the back flow preventer installed, certified and that the application is made to the DEP. Senator Singer said a system has to be set up to make sure that we receive a copy of the report every three months. If it does not come in we have to find out where it is. Mr. Flancbaum said he discussed this during the last week with Mr. Morrill and Mr. McGregor about setting up a database or maybe some better way to be able to see when we receive the quarterly test.

8. Closed session-Personnel

This will be discussed later.

X. Instrumentation/IT Department Report

1. Shorrock St. WTP replacement VFD's

The IT Department is expecting delivery of the two VFD's for the Shorrock Street High Service pumps this week. Once they arrive Mr. Farina will schedule to have them installed immediately. Two of four drives are giving trouble and are being replaced. Once they are installed, Mr. Farina will go ahead and purchase a second set. This will enable the Authority to be secure and not have to worry about future problems.

2. Shorrock St. WTP PLC work

Good progress is continuing to be made with the Shorrock Street SCADA PLC equipment changeover. We have progressed through one of the four filters and have tested it. Once that is working to satisfaction, the remaining three shall move forward at a swift pace.

3. In house electrical testing

The Authority is now officially able to resume having our designated operations personnel perform basic and routine electrical measurements in order continue forward with a preventive maintenance program under my direction and supervision. This effort helps to avoid future potential major electrical equipment failures. These duties will resume after our safety officer, Mr. Harry Robbins and I have conducted a basic electrical safety class with the respective employees who have been designated to be in attendance by their respective supervisors.

4. NJBS litigation expert witness update

With regards to the New Jersey Business System litigation, we have received our expert witness revised Expert Technical Report on his findings with our flawed communication system. I reviewed the report and found the revised report to be accurate and concise

based on my factual conveyance to him and upon his personal observations. The reviews of the document were communicated to the Executive Director.

5. Organization's IT status

In the present medical absence of Mr. Raph Copeland, all of the Authorities IT issues are currently being addressed and managed with the aid of some administration personnel assisting to resolve the basic issues that result along with our new Technical Operator employee Mr. Mohamed Bassyouni. Mr. Bassyouni has worked on and solved some of those issues as well. In addition, we also have our IT backup support vendor CSI handling some of the present and future complex needs and issues. In the last four to five months we have seen via our firewall security systems, an increase of potential hackers. They are mostly generating from the Ukraine region of the world. They mask it as if it is coming from another state. Mr. Flancbaum said email from the Ukraine and all the Eastern European countries are blocked. The last few months, we have been seeing foreign language emails for the first time in years. Apparently what is happening is that the hackers are getting sophisticated. Although they originate in the Ukraine they are going from country to country to see which country the Authority will accept and then they come in. Senator Singer asked what are they trying to do. Mr. Farina said they are trying to wreak havoc, take personal information, and maybe disrupt the water system. Senator Singer wants to know if it was reported to Homeland Security. Mr. Flancbaum said no. Senator Singer said he thinks it should be reported because we are a water company. Perhaps it should be reported through the State Police or some other agency. Let them that the Authority is being bombarded with this. Senator Singer said maybe a call should be made to Police Chief Lawson to find out who to report it to. Mr. Flancbaum said he will reach out to Police Chief Lawson. Mr. Farina said that our vendor CSI, as well, has been keeping a close eye on these potential threats and we are doing everything within reason for prevention which includes, but is certainly not limited to, making sure that all of our security software are kept up to date and are functional. The Executive Director and I have sent out informational emails to the Authority's staff to be vigilant in the emails that come their way and to not open any of which that may be slightly questionable or peculiar in nature. They mask the emails as something very innocent. When it is opened, it is a gateway into the system. Senator Singer suggested that Ms. Gaynor review this with the staff once a year. We have to be very vigilant in this area.

XI. Commissioners' Report

XII. MEETING OPEN TO THE PUBLIC

There was no response from the public.

XIII. MEETING CLOSED TO THE PUBLIC

XIV. MOTION TO APPROVE THE OPERATING VOUCHERS

A **motion** was made by Mr. Coles and seconded by Mr. Waxman to approve the Operating Vouchers in the amended amount of \$543,407.33. On **voice vote**, all members present voted, "**Aye**". **Motion passed.**

XV. CLOSED SESSION

A **motion** was made by Mr. Coles, seconded by Mr. Waxman to go into closed session to discuss personnel at 10:57 A.M.

XVI. OPEN SESSION

At 11:06 A.M. the meeting went into open session.

XVII. ADJOURNMENT

A **motion** was made by Mr. Waxman, seconded by Mrs. Fish to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 11:07 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA