

**LACEY MUNICIPAL UTILITIES AUTHORITY
REORGANIZATION AND REGULAR MEETING
FEBRUARY 2, 2011**

Pledge of Allegiance

ROLL CALL

The Reorganization and Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, February 2, 2011 and was called to order at 7:00 p.m. by James Knoeller, Chairman. Other members present were Michael Masciale, Richard Kennedy, Arthur Miklosey, Nick Juliano, Jack Nosti, and Ralph Lanuto. Also present were Jerry Dasti, attorney; Jerry Conaty, auditor; Alan Dittenhofer, engineer; Felipe Contreras, engineer; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director.

**“SUNSHINE
LAW”
STATEMENT**

Mr. Knoeller read the following statement.

Notice of this meeting was adequately provided pursuant to Public Law 1975, Chapter 231.

Such Notice was posted at both the Lacey Township Municipal Building and at the Office of the Lacey Municipal Utilities Authority, Forked River, New Jersey.

Such Notice was forwarded to the following newspapers:

- a. Asbury Park Press
- b. Atlantic City Press

Such Notice was also forwarded to the Lacey Township Clerk for posting and filing.

REORGANIZATION

Chairman – A motion was made by Mr. Kennedy and seconded by Mr. Masciale to appoint James Knoeller as Authority Chairman. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Abstain. Motion passed.

Vice Chairman – A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to appoint Michael Masciale as Authority Vice Chairman. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Abstain; Knoeller-Yes. Motion passed.

Secretary – A motion was made by Mr. Masciale and seconded by Mr. Miklosey to appoint Richard Kennedy as Authority Secretary. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Abstain; Knoeller-Yes. Motion passed.

Treasurer – A motion was made by Mr. Masciale and seconded by Mr. Kennedy to appoint Arthur Miklosey as Authority Treasurer. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Abstain; Knoeller-Yes. Motion passed.

**COMMITTEE
APPOINTMENTS**

Personnel Committee

Chaired by Richard Kennedy
James Knoeller
Alternate No. 1 – Arthur Miklosey
Alternate No. 2 – Jack Nosti

Safety Committee

Chaired by Richard Kennedy
Jack Nosti
Darren Coraggio, Safety Coordinator
Tammy Fetherman
Harry Peckham
JoAnn Byckiewicz

Budget and Finance Committee

Chaired by Michael Masciale
Arthur Miklosey
Alternate – James Knoeller

Public Relations Committee/Planning Committee

Chaired by James Knoeller
Michael Masciale
Alternate – Ralph Lanuto

Township Committee Liaison

Nick Juliano
Alternate – Jack Nosti

RESOLUTION NO. 2011-07 - AUTHORIZE REGULAR MEETING SCHEDULE

A motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution No. 2011-07, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Regular Meeting Schedule*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**PROFESSIONAL
APPOINTMENTS**

Mr. Woolf stated the administrative staff of the Authority received and reviewed the submissions of qualifications for professional service contracts. The Fair and Open process was utilized in determining the most qualified professionals; therefore, he recommends the following professionals be appointed to the Lacey Municipal Utilities Authority.

RESOLUTION NO. 2011-09 - APPOINT ENGINEER - REMINGTON, VERNICK AND VENA ENGINEERS

- A motion was made by Mr. Miklosey and seconded by Mr. Masciale to adopt *Resolution No. 2011-09, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing the Firm Remington, Vernick and Vena Engineers as Authority Consulting Engineers*. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2011-10 – APPOINT ATTORNEY – JERRY J. DASTI OF THE FIRM DASTI, MURPHY, MCGUCKIN, ULAKY, CHERKOS & CONNORS, P.C. – A motion was made by Mr. Masciale and seconded by Mr. Kennedy to adopt *Resolution No. 2011-10, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Jerry J. Dasti of the Firm Dasti, Murphy, McGuckin, Ulaky, Cherkos & Connors as Authority Attorney.* Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2011-11 – APPOINT AUDITOR – FRANK B. HOLMAN OF THE FIRM HOLMAN & FRENIA, PC - A motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution No. 2011-11, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Frank B. Holman, III, of the Firm Holman & Frenia, P.C as Authority Auditor.* Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2011-12 – APPOINT CONFLICT ATTORNEY – RICHARD D. MEINDERS, P.C. – A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution No. 2011-12, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Richard D. Meinders, P.C. as Authority Conflict Attorney.* Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2011-13 – APPOINT CONFLICT ENGINEER – BRUCE CONNELL OF THE FIRM BIRDSALL SERVICES GROUP – A motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution No. 2011-13, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Bruce Connell, P.E., P.P., C.M.E. of the firm Birdsall Services Group as Authority Conflict Engineer.* Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2011-14 – APPOINT BOND COUNSEL – GLUCK WALRATH, L.L.P – A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution No. 2011-14, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Gluck Walrath, L.L.P as Authority Bond Counsel.* Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2011-15 – APPOINT LABOR COUNSEL – JERRY J. DASTI OF THE FIRM DASTI, MURPHY, ULAKY, CHERKOS & CONNORS – A motion was made by Mr. Kennedy and seconded by Mr. Juliano to adopt *Resolution No. 2011-15, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Jerry J. Dasti, Esq. of the firm Dasti, Murphy, McGuckin, Ulaky, Cherkos & Connors, P.C. as Authority Labor Counsel.* Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2011-16 – APPOINT RISK MANAGEMENT CONSULTANT – CONNOR STRONG COMPANIES, INC. – A motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution No. 2011-16, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Connor Strong Companies, Inc. as Authority Risk Management Consultant.* Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed

RESOLUTION NO. 2011-17 – APPOINT PUBLIC AGENCY COMPLIANCE OFFICER - KATHLEEN S. BARRETT – A motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution No. 2011-17, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Kathleen S. Barrett as Public Agency Compliance Officer, P.L. 1975, c. 127.* Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2011-18 – APPOINT PERSONNEL OFFICER – EDWARD A. WOOLF – A motion was made by Mr. Juliano and seconded by Mr. Kennedy to adopt *Resolution No. 2011-18, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Edward A. Woolf as Personnel Officer.* Roll call vote: Juliano-Yes; Kennedy-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2011-19 – APPOINT FUND COMMISSIONERS AND ALTERNATE FUND COMMISSIONER TO THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND – A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution No. 2011-19, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Fund Commissioners and Alternate Fund Commissioner for the New Jersey Utilities Authorities Joint Insurance Fund.* Mr. Knoeller stated the fund commissioners consist of Tammy Fetherman, Richard Kennedy and Edward Woolf. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2011-20 – APPOINT COMPANY PHYSICIAN – FORKED RIVER MEDICAL SPECIALISTS, P.A. – A motion was made by Mr. Miklosey and seconded by Mr. Juliano to adopt *Resolution No. 2011-20, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Forked River Medical Specialists, P.A. as Company Physician.* Roll call vote: Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**APPROVAL
OF MINUTES**

Regular Meeting of January 5, 2011 - A motion was made by Mr. Masciale and seconded by Mr. Kennedy to approve the minutes of the Regular Meeting of January 5, 2011. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending December 31, 2010 - Mr. Woolf summarized the cash balances for period ending December 31, 2010 as follows: Total cash balance for the unrestricted accounts were \$3,112,510.40, with earnings of \$2,386.10. Total cash balance for the restricted accounts held by the trustee were \$7,596,958.90, with earnings

of \$6,124.53. Current period interest on the restricted and unrestricted accounts was \$8,510.63. Year-to-date earnings on all interest bearing accounts were \$181,697.07.

Resolution 2011-06 – Award Contract Extension for 2010 Pump Maintenance and Repair - A motion was made by Mr. Kennedy and seconded by Mr. Juliano to adopt *Resolution 2011-06, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Awarding a Contract Extension on the 2010 Pump Maintenance and Repair Project to Motors and Drives, Inc.* in the amount of \$27,410.00. Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

BUSINESS REPORT

January Meter Reads – Ms. Barrett reported 3,815 meters were read in January for Cycles 2 and 9. Sixty-three work orders were cut to obtain manual reads not obtained during regular meter read routes. Three reads were questioned because of high usage. One customer was contacted by phone; two customers were sent letters.

February Billing – Ms. Barrett reported utility bills will be mailed/hand delivered on February 3rd in the amount of \$707,054.05. Penalties were assessed on 3,427 past due accounts (all cycles) in the amount of \$21,057.17 for a total billing in February of \$728,111.22.

Customer Service – Ms. Barrett reported twenty final reads with equipment inspections were performed in January with no violations. Thirty-two new customer welcome letters were mailed in December and six responses were received in January.

Mr. Knoeller asked how many lienable accounts were sent to the tax office. Ms. Barrett stated there were 497 accounts in the amount of \$394,312.00. She noted that last year 294 accounts were sent to the tax office in the amount of \$225,000.00. She also noted that the sale was held two weeks earlier than last year.

ENGINEER'S REPORT

Wells and Water Treatment Plant at Well No. 1 Site – Mr. Dittenhofer stated the Hydro geologic Report has been complete in conjunction with the State's Geological Survey. In regards to the radius influence of the wells, the numbers are favorable at 16,000 feet (approximately 3 miles). This would cover Berkeley and a portion of Waretown.

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated the design phase of the upgrades is 95% complete. The BWA permit application was submitted at the end of January, and the BSDW information is complete. The application will be submitted by the end of the month. Mr. Knoeller asked about the interconnection between the two wells. Mr. Dittenhofer stated the interconnection is included in the water treatment plant No. 1 upgrades. Mr. Woolf pointed out the Authority received a development application for the improvement of Center Street. This project should begin as soon as possible, since they are looking to extend this project past the two wells. Mr. Knoeller suggested using LMUA personnel versus contractors. He asked Mr. Woolf to provide the Board with a material list outlining manpower issues, cost detail, etc. Mr. Masciale suggested before any work is to start that the piping be installed.

In regards to the Authority leasing a portion of the solar panels on the property, Mr. Contreras stated it would not be a benefit to the Authority since the location is too small. There is 800 SF of roof, which would cost approximately \$100,000 to install. Additionally, only 10 kilowatts would be generated, which is nothing compared to what is needed. He stated another option would be a power purchase agreement. Mr. Knoeller suggested the engineers review this option.

Repainting of Tank No. 2 – Mr. Dittenhofer stated this project is scheduled to resume when weather permits.

Cleaning and Televising Contract No. 6 & Flow Assessment - Mr. Dittenhofer stated this project is complete, and a repair punch list has been submitted to the contractor. He stated he would be discussing the material list with Mr. Woolf.

Mr. Knoeller asked Mr. Woolf to set up a meeting with Brick Township's executive director for the MUA to discuss the possibility of using their televising system. He asked that Mr. Dasti also be in attendance at the meeting.

Change Order No. 1 – Municipal Lane Pump Station Upgrades & Standby Non-Clog Submersible Pumps, Bid No. 2 – A.C. Schultes, Inc. – On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to approve Change Order No. 1 representing piping redesigns at Otto Lane and FRB-1 pump stations for a net contract increase of \$3,325.00 and a 455 day time extension for a new project deadline of May 16, 2011. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

ATTORNEY'S REPORT

Beach Boulevard Bridge Damage – Due to potential litigation matters, Mr. Dasti suggested this issue be discussed in closed session

Shaan Realty – Mr. Dasti stated he reviewed the letters of recommendation from RV&V for preliminary and tentative review.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended December 31, 2010 – Mr. Conaty reported user and delinquency charges resulted in a favorable variance for both sewer and water. Interest income had a favorable variance on sewer, and an unfavorable variance on water. Connection fees had an unfavorable variance on sewer and water. Safety expenses had an unfavorable variance on sewer and water due to the purchase of a defibrillator and other safety supplies. Mr. Conaty stated the Authority should expect a credit based on what the actual flows were originally budgeted from the OCUA, however, they this would be held in abeyance until they resolve an issue of the accuracy of their meters. Mr. Knoeller stated a meeting would be held with the OCUA to discuss this issue.

CORRESPONDENCE

Eugene Roberts, Dutch Court – Mr. Roberts was present to discuss relief of his utility bill, due to unexplained high water usage. Mr. Woolf explained Mr. Robert's 9/8/10 billing indicated he used 144,000 gallons of water. The water meter was sent for testing and tested accurate. Mr. Roberts indicated he used the irrigation system from both

public water and well water. Mr. Woolf stated a cross connection was discovered, and Mr. Robert abated the situation. However, he insists the city water was leaking down into the well. Since the Authority cannot say with certainty where the water went, a motion was made by Mr. Juliano and seconded by Mr. Kennedy to grant a credit adjustment on the sanitary sewer charges in the amount of \$697.45 (94,000 gallons). Roll call vote: Juliano-Yes; Kennedy-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. & Mrs. Tobia, Heatherington Court - Requesting relief of utility bill, due to use of water for lawn and pool. Based on the information available, a waiver of a portion of the charges could not be supported. Customer will be notified about the use of irrigation and pool fill meters.

Mr. & Mrs. Geiger, Lakewood Avenue - Requesting removal of late charge. A motion was made by Mr. Kennedy and seconded by Mr. Masciale to remove the late charges in the amount of \$14.32. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Kathleen Compen, Drew Avenue - Requesting relief of utility bill, due to use of water for filling pool. Based on the average water consumption for the period of October through January in the prior 4 years, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to grant a total pool-fill credit of 6,000 gallons (\$2.18/2,015 gallons; \$4.30/3,985 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**OLD
BUSINESS**

Mr. Masciale asked how much money was spent on snow plowing, and was assistance given to the Township. Mr. Woolf stated the amount has not been calculated, and the Authority did assist the Township in snow plowing. Mr. Miklosey asked if the hours that are spent plowing being tracked. Mr. Woolf stated the hours are documented, however, a list still needs to be compiled. Mr. Miklosey was concerned about the \$350.00 meal allowance for employees while on-call during the storms, as well as the amount of money used to gas the vehicles for plowing. Mr. Knoeller asked Mr. Woolf to provide the Board with a calculated list of the money and hours spent during the snowstorms for the next meeting.

**NEW
BUSINESS**

There was no new business to discuss.

**PUBLIC BUSINESS/
COMMENT**

Regina Discenza, Sunset Boulevard – Mrs. Discenza stated she received an anonymous email that Home Depot may be mixing rock salt with sand for snow clearing purposes. Mr. Knoeller stated he personally went to the site to inspect the lot and did not see anything that would indicate they are non-compliant.

**CLOSED
SESSION**

RESOLUTION

WHEREAS, Section 8 of the Open Public Meetings Act, Chapter 231, Public Law 1975 permits the exclusion of the public from a meeting in certain circumstances;

WHEREAS, this public body is of the opinion that such circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED by the Lacey Municipal Utilities Authority, County of Ocean and State of New Jersey as follows:

1. The public shall be excluded from discussion of action upon the hereinafter specified subject matters.
2. The general nature of this closed session concerns personnel matters, potential litigation, and union negotiations.
3. It is anticipated at this time that the above-stated matters will be made public once these matters have been resolved.
4. This resolution shall take effect immediately.

A motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt the above resolution. Roll call vote: Unanimously approved.

Separate minutes were kept on the above closed session.

**RE-OPEN
MEETING**

A motion was made by Mr. Masciale and seconded by Mr. Miklosey to reopen the meeting. Roll call vote: Unanimously approved.

**OTHER
BUSINESS**

Resolution 2011-08 – Authorizing and Approving a Settlement with Midlantic Construction – Beach Boulevard Bridge – On recommendation by the Authority's attorney, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution 2011-08, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing and Approving a Settlement with Midlantic Construction, LLC with Regard to Damage in Conjunction with the Beach Boulevard Bridge Replacement Project*. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Union Negotiations - A motion was made by Mr. Miklosey and seconded by Mr. Juliano to accept the negotiated proposal as outlined in the *Memorandum of Agreement* dated February 1, 2011. Roll call vote: Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**PAYMENT OF
VOUCHERS**

WHEREAS, the members of the Lacey Municipal Utilities Authority carefully examined all vouchers presented for payment of claims;

NOW, THEREFORE, BE IT RESOLVED by the Lacey Municipal Utilities Authority that:

1. Said vouchers in the sum of \$385,508.22 be and the same are hereby approved to be paid.

2. Said vouchers are listed on the attached computer check register.

A motion was made by Mr. Miklosey and seconded by Mr. Masciale to adopt the above resolution. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes, but abstains on South Jersey Auto Supply; Kennedy-Yes; Knoeller-Yes. Motion passed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 8:00 p.m.

Respectfully submitted,

Michele Kennedy
Secretary