

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
MARCH 2, 2011**

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, March 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, and Ralph Lanuto. Also present were Jerry Dasti, attorney; Alan Dittenhofer, engineer; Felipe Contreras, engineer; Frank Holman and Jerry Conaty, auditors; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director. Mark Dykoff, Lacey MUA/Township Committee Liaison also attended the meeting.

**“SUNSHINE
LAW”
STATEMENT**

Mr. Knoeller read the following statement.

Notice of this regular 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.

**APPROVAL
OF MINUTES**

Reorganization and Regular Meeting of February 2, 2011 - A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to approve the minutes of the Reorganization and Regular Meeting of February 2, 2011. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Closed Session Meeting of February 2, 2011 - A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Closed Session Meeting of February 2, 2011. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending January 31, 2011 - Mr. Woolf summarized the cash balances for period ending January 31, 2011 as follows: Total cash balance for the unrestricted accounts were \$3,235,456.68, with earnings of \$2,310.99. Total cash balance for the restricted accounts held by the trustee were \$4,861,586.06, with earnings of \$4,879.50. Current period interest on the restricted and unrestricted accounts was \$7,190.49. Year-to-date earnings on all interest bearing accounts were \$7,190.49.

Resolution 2011-21 – Appointing D & M Associates as Computer Consultant - A motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution No. 2011-21, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing David J. Kubiak of D&M Associates as Authority Computer Consultant*. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-22 – Authorize Sale of Personal Property Not Needed for Public Use - On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2011-22, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Sale of Personal Property Not Needed for Public Use*. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-28 – Authorize Increase of Bid Threshold and Appointing a Qualified Purchasing Agent – Mr. Woolf explained the Authority would receive three quotes for purchases under \$36,000. Any purchase over \$36,000 the Authority would go out to public bid. Additionally, the chairman must sign off on any purchase over \$5,400. The executive director can sign off on purchases up to \$5,400. On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2011-28, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Increase of Bid Threshold and Appointing a Qualified Purchasing Agent*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-29 – Appointing Tammy Fetherman as Qualified Purchasing Agent – Mr. Knoeller stated the personnel committee has agreed to offer Ms. Fetherman a salary increase of \$1,500.00 for additional responsibilities as a Qualified Purchasing Agent. On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution 2011-29, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Tammy Fetherman as Qualified Purchasing Agent*. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Abstain; Knoeller-Yes. Motion passed.

Resolution 2011-30 – Appointing Kristin Spatz as Account Clerk – On recommendation by the executive director, a motion was made by Mr. Juliano and seconded by Mr. Kennedy to adopt *Resolution 2011-30, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of new Jersey, Appointing Kristin Spatz to the Position of Account Clerk*. Roll call vote: Juliano-Yes; Kennedy-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

2011 Financial Advisor/Investment Manager – Mr. Woolf requested the Board reject the Submission of Qualifications for the Financial Advisor/Investment Manager professional contract. He explained submittals received did not contain the Investment Manager portion of the submittal. Therefore, he is requesting authorization to readvertise and receive RFQ's for Financial Advisor/Investment Manger contract. A motion was made by Mr. Masciale and seconded by Mr. Kennedy to reject submission of qualifications for Financial Advisor/Investment Manager contract, and readvertise to

receive bids for same. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Safety Award - Mr. Woolf stated the Authority received a perfect score for complying with the New Jersey Utilities Authority Joint Insurance Fund for 2010. He thanked Darren Coraggio for doing an outstanding job with the Safety Program.

Raw Water Line Bids – Mr. Woolf requested authorization to advertise and receive bids for the installation of a 12” raw water line from Well No. 8 to Water Treatment Plant No. 1. A motion was made by Mr. Masciale and seconded by Mr. Miklosey authorizing the executive director to advertise and receive bids for the installation of a 12” raw water line. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

BUSINESS REPORT

February Meter Reads – Ms. Barrett reported 3,796 meters were read in February for Cycles 3 and 9. Seventy-eight work orders were cut to obtain manual reads not obtained during regular meter read routes. Nine reads were questioned for high usage. Three customers were contacted by phone and six customers were sent a letter.

March Billing – Ms. Barrett reported utility bills would be mailed/hand delivered on March 3rd in the amount of \$703,040.83. Penalties were assessed on 3,512 past due accounts (all cycles) in the amount of \$17,291.42 for a total billing in March of \$720,332.25.

Customer Service – Ms. Barrett reported eleven new customer welcome letters were mailed in January, and eighteen responses were received in February. Twenty-six final reads with equipment inspections were performed in February with no violations.

Tax Lien Sale – Ms. Barrett reported the Authority is still waiting for the Tax Collector’s office to prove and balance their collections from the tax lien sale before they can issue payment to the LMUA.

MUAA – Ms. Barrett reported the MUAA dinner/meeting will be held on Thursday, March 10th. The topic of discussion will be foreclosures and how they are affecting Authorities.

ENGINEER’S REPORT

Resolution No. 2011-23 – Amended Final Sewer and Water Approval – Lacey Township Building Associates, LLC - Lacey Town Village – Mr. Dittenhofer reported his office received amended application and plans for final sewer and water approval for Lacey Township Building Associates, L.L.C., Block 739.01, Lot 2.07. The applicant is proposing to construct a subdivision consisting of 84 townhouse units and a 1,500 SF clubhouse on the south side of Laurel Boulevard between Railroad Avenue North and Route 9. The applicant proposes to connect to the existing water mains along Route 9 and Laurel Boulevard and install an 8” water main loop throughout the development. The applicant also proposes to connect to an existing manhole in South Street and extend 8”PVC sanitary sewer main to service the units. The applicant has requested an amended approval in order to convert the project from an age-restricted development to a non age-

restricted development. This conversion will result in a decrease in water demand, however, the sanitary sewer flow will increase from what was previously permitted by the NJDEP. On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-23, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Amended Final Sewer and water Approval, Lacey Township Building Associates, LLC, Lacey Town Village, Block 739.01, Lot 2.07*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-27 – Final Sewer and Water Approval – Proposed Gas Station Improvements – Shaan Realty, LLC – Mr. Dittenhofer reported his office received the application and plans for final sewer and water approval for Proposed Gas Station Improvements, Block 1851, Lots 8.01 & 8.02. The applicant is proposing to construct a 2,000 SF convenience store and 1,500 SF Dunkin Donuts donut shop at the intersection of Lacey Road and Newark Avenue, in the northeast corner. The applicant proposes to subdivide the property into two lots and demolish the existing car wash building. The existing auto repair center will remain. The applicant proposes to connect to the existing sanitary sewer main in Arthur Street and install a new lateral for the auto repair center. The existing lateral will be reconstructed to service the convenience store and donut shop. The applicant also proposes to connect to the existing water main in Lacey Road and install a 2" service for the convenience store and donut shop. On recommendation by the Authority's engineer, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2011-27, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Final Sewer and Water Approval, Proposed Gas Station Improvements, Shaan Realty, LLC, Block 1851, Lots 8.01 & 8.02*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-24 – Maintenance Guarantee Release and Closeout Escrow Account – Greenscape Subdivision – R. Stone & Co. – On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-24, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Cash Maintenance Guarantee Release, Closeout Developer Escrow Account, Greenscape Subdivision – R. Stone & Company, Block 1626, Lot 1*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-25 – Maintenance Bond Release – Administration Building – Gavan General Contracting – On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution 2011-25, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Maintenance Bond Release, Administration Building Structural Repairs and Carpet Installation, Gavan General Contracting, Inc.* Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Wells and Water Treatment Plant at Well No. 1 Site – Mr. Dittenhofer stated an itemized punch list has been forwarded to the contractor for completion.

In regards to the Water Allocation Permit, Mr. Dittenhofer stated a hydrogeologic report had been forwarded to the New Jersey Geological Survey for their review and comments. The completed package will be going for Water Allocation this week.

Mr. Knoeller asked about NJDEP's letter indicating the LMUA exceeded its firm capacity. Mr. Dittenhofer explained firm capacity is what the DEP looks at when they issue water extension permits for various applicants. According to DEP's records, the LMUA had exceeded the peak day usage. However, the State never addressed the construction certification report for the upgrade of Wells 3, 4 & 5. The report was resubmitted to the State and the Authority will now have an increase of 400 gallons per minute. Mr. Dittenhofer stated it would take approximately one month for the DEP to make the correction, which can be viewed on their website. His office would follow-up with DEP to make sure the correction is made.

Mr. Dittenhofer stated the project is on-schedule, and an anticipated start date to produce water is May 2012. Mr. Knoeller advised the engineers if there is anything that can be done to expedite the process, without going over budget, to inform the Board immediately. Mr. Dittenhofer reminded the Board there is usually a public comment/hearing phase associated with water allocation.

ATTORNEY'S REPORT

Resolution 2011-26 – Approve Collective Bargaining Agreement with Teamsters Local 97 of New Jersey – On recommendation by the Authority's attorney, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-26, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Approving the Collective Bargaining Agreement with Teamsters Local 97 of New Jersey*. Mr. Miklosey recommends that at the next contract negotiations sick time be reduced from 12 days to 6 or 9 days for new employees. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed. Mr. Knoeller informed Mr. Dykoff that new hires would be paying a 20% co pay on their health insurance for single coverage.

Beach Boulevard Bridge Damage – Mr. Dasti stated this issue has been finalized. A Release has been executed and Midlantic Construction has been paid the reduced upon amount.

Biele Jewelers – Mr. Dasti recommended this issue be discussed in closed session.

OCUA Deficiency Notice – Mr. Dasti recommended this issue be discussed in closed session.

Wells 7 & 8 – Mr. Dasti stated there was an issue with the contractor in terms of Affirmative Action documentation. This issue has been resolved.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended January 31, 2011 – Mr. Holman reported revenue, expenses, and user charges had a positive variance on both water and sewer for the month. He stated his office is in the process of performing the audit for the Authority, therefore, a Finance Committee meeting will be held at the end of March.

Mr. Knoeller reported a meeting is scheduled with representatives from the OCUA to resolve the OCUA credit issue.

CORRESPONDENCE

Patricia Carbone, Annapolis Lane – Requesting relief of utility bill, due to unexplained high water usage. Based on the information presented, a waiver of a portion of the charges could not be supported. It was recommended a payment plan be offered to Ms. Carbone. A motion was made by Mr. Kennedy and seconded by Mr. Masciale to offer customer a payment plan. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Stella Marmo, Capstan Drive – Requesting removal of late charge on utility bill. Based on the information presented, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to waive the late charges in the amount of \$7.14. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mary Rubino Ryder, Sandpiper Drive – Requesting relief of utility bill, due to broken pipe. Since the water did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to grant a credit adjustment on the sewer charges in the amount of \$638.58 (118,000 gallons), as well as waive the penalties accrued to the account on March 1st in the amount of \$19.81. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Angela Marra, Beach Blvd. – Requesting relief of utility bill, due to broken pipe. Since the water did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to grant a credit adjustment on the sewer charges in the amount of \$15.36 (14,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

OLD BUSINESS

Professional Services Agreement – Gluck, Walrath, LLC – Authority Bond Counsel
Chairman Knoeller and Secretary Kennedy executed the Professional Services Agreement between the Lacey Municipal Utilities Authority and Gluck, Walrath, LLC for the period from February 3, 2011 to February 1, 2012.

Professional Services Agreement – Dasti, Murphy, McGuckin, Ulaky, Cherkos & Connors – Authority Attorney – Chairman Knoeller and Secretary Kennedy executed the Professional Services Agreement between the Lacey Municipal Utilities Authority and Dasti, Murphy, McGuckin, Ulaky, Cherkos & Connors for the period from February 3, 2011 to February 1, 2012.

Professional Services Agreement – Forked River Medical Specialists – Authority Physicians – Chairman Knoeller and Secretary Kennedy executed the Professional Services Agreement between the Lacey Municipal Utilities Authority and Forked River Medical Specialists for the period from February 3, 2011 to February 1, 2012.

Professional Services Agreement – Connor Strong Companies, Inc. - Authority Risk Management Consultant – Chairman Knoeller and Secretary Kennedy executed

the Professional Services Agreement between the Lacey Municipal Utilities Authority and Connor Strong Companies, Inc. for the period from February 3, 2011 to February 1, 2012.

Professional Services Agreement – Richard Meinders, P.C. – Authority Conflict Attorney – Chairman Knoeller executed the Professional Services Agreement between the Lacey Municipal Utilities Authority and Richard Meinders, P.C. for the period from February 3, 2011 to February 1, 2012.

Professional Services Agreement – Holman & Frenia, P.C. – Authority Auditor – Chairman Knoeller executed the Professional Services Agreement between the Lacey Municipal Utilities Authority and Holman & Frenia, P.C. for the period from February 3, 2011 to February 1, 2012.

**NEW
BUSINESS**

Mr. Miklosey requested Mr. Woolf provide the Board with a monthly report on sick, vacation and personal days taken by employees.

**PUBLIC BUSINESS/
COMMENT**

Regina Discenza, Sunset Beach – Mrs. Discenza asked for clarification in regards to the increase in firm capacity. Mr. Dittenhofer stated presently it is 3.9 million gallons per day. When the new treatment plant goes on-line it will be 5.0 million gallons per day.

**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 \$710,628.54 be same are hereby approved to be paid.
2. Said vouchers are listed on the attached computer check register.

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

**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 and potential litigation.
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. Miklosey and seconded by Mr. Kennedy to reopen the meeting. Roll call vote: Unanimously approved.

A motion was made by Mr. Masciale and seconded by Mr. Kennedy authorizing non-union increases in the amount of \$1,300.00 for 2009, and \$1,300.00 for 2011. The increases will be effective February 2, 2011. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

A motion was made by Mr. Masciale and seconded by Mr. Kennedy authorizing Holman & Frenia to perform an in-depth review of the Authority's connection fees/rate structure in an amount not to exceed \$5,000.00. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:45 p.m.

Respectfully submitted,

Michele Kennedy
Secretary

