

**LACEY MUNICIPAL UTILITIES AUTHORITY
RATE HEARING & REGULAR MEETING
DECEMBER 5, 2012**

Pledge of Allegiance

ROLL CALL

A Rate Hearing and Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, December 5, 2012 and was called to order at 7:00 p.m. by James Knoeller, Chairman. Other members present Michael Masciale, Richard Kennedy, Arthur Miklosey, Nick Juliano, Mr. Nosti, and Mr. Lanuto. Also present were Jerry Dasti, attorney; Felipe Contreras, engineer; Frank Holman, auditor; 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 rate hearing and 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.

**RATE
HEARING**

Edward A. Woolf, Executive Director – Mr. Woolf stated after careful examination of the current rate structure, the Authority’s Finance Committee has determined that a 4% water rate increase is necessary to support the 2013 budgeted expenses. He explained the existing rates and fees were examined to ensure the Authority’s revenues are adequate to support expenses including operating and maintaining the water and sewer systems, meeting bond obligations, and preparing for long term repairs and rehabilitation of its infrastructure. Mr. Woolf pointed out water rates are only being addressed. The sewer budget is stable; therefore, a rate increase on the sewer side would not be necessary.

Mr. Woolf outlined the proposed adjustments listed below, as well as attached to the minutes.

Proposed Adjustments to Current Water Service and Consumption Charges - A 4% increase is being proposed for the quarterly service charge, and a 4% increase is being proposed for water consumption charges.

Quarterly Service Charge Meter Size (inches)	Current Rate	2013 Proposed Rates
5/8"	\$33.42	\$34.76
3/4"	\$36.75	\$38.22
1"	\$46.78	\$48.65
1 1/2"	\$60.15	\$62.56
2"	\$96.86	\$100.73
3"	\$367.46	\$382.16
4"	\$471.03	\$489.87
6"	\$701.53	\$729.59
8"	\$968.79	\$1007.54

	Current	2012 Proposed Rate
Metered Water Consumption Charge	\$5.17/1000 gals.	\$5.38/1000 gals.

Jerry Dasti, Esq., Hearing Officer – Mr. Dasti stated this rate hearing is conducted in accordance with the provisions of N.J.S.A. 40:14B-1, in particular subsections 22 and 23. The notification of this rate hearing was published in the Asbury Park Press and Atlantic City Press on November 13, 2012.

Frank Holman, Auditor – Mr. Holman stated his office is in full agreement of what is proposed. The water rate increase is part of a plan to breakeven in the water department.

**COMMISSIONERS
 COMMENTS**

Mr. Knoeller stated one reason the Authority is approximately \$180,000 in the red on the water budget is not due to increased operational costs, it is due to the economic situation. He stated 1 out of 8 homes are vacant, foreclosed, or unoccupied, which has a direct impact on the water budget.

**PUBLIC
 TESTIMONY**

There was no public comment.

**FORMAL
 ACTION**

Resolution 2012-63 – Establishing Water Rates Effective January 1, 2013 – A motion was made by Mr. Masciale and seconded by Mr. Kennedy to adopt *Resolution 2012-63, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Establishing Water Rates Effective January 1, 2013*. Roll call vote: Masciale-Yes; Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Knoeller-Yes. Motion passed.

The Rate Hearing was concluded.

**APPROVAL
OF MINUTES**

Regular Meeting of November 7, 2012 - A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Regular Meeting of November 7, 2012. Roll call vote: Masciale-Yes; Miklosey-Yes; Kennedy-Abstain; Juliano-Yes; Knoeller-Yes. Motion passed.

Closed Session Meeting of November 7, 2012 - A motion was made by Mr. Miklosey and seconded by Mr. Nosti to approve the closed session minutes during the Regular Meeting of November 7, 2012. Roll call vote: Miklosey-Yes; Nosti-Yes; Kennedy-Abstain; Juliano-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending October 31, 2012 - Mr. Woolf summarized the cash balances for period ending October 31, 2012 as follows: Total cash balance for the unrestricted accounts were \$3,881,181.01, with earnings of \$1,053.77. Total cash balance for the restricted accounts held by the trustee were \$9,305,560.88, with earnings of \$2,757.11. Current period interest on the restricted and unrestricted accounts was \$3,810.88. Year-to-date earnings on all interest bearing accounts were \$54,514.72

Resolution 2012-64 – Adopt 2013 Sewer Budget – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2012-64, 2013 Adopted Sewer Budget Resolution, Lacey Municipal Utilities Authority*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Masciale-Yes; Juliano-Yes; Knoeller-Yes. Motion passed.

Resolution 2012-65 – Adopt 2013 Water Budget – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2012-65, 2013 Adopted Water Budget Resolution, Lacey Municipal Utilities Authority*. Roll call vote: Masciale-Yes; Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Knoeller-Yes. Motion passed.

Resolution 2012-68 – Transfer of Funds – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2012-68, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Transfer of Funds, 2012 Water Budget*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Water Treatment Chemicals Bids 2013 – Mr. Woolf requested authorization to advertise and receive bids for water treatment chemicals for 2013. A motion was made by Mr. Miklosey and seconded by Mr. Juliano authorizing advertisement to receive bids for water treatment chemicals for 2013. Roll call vote: Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

FEMA - Mr. Woolf stated he attended a meeting with FEMA to go over what expenses the Authority can recover as a result of Hurricane Sandy such as overtime, which would be covered by 75%, fuel expenses, and damages to equipment/facilities. He stated mitigation funds are also available for equipment, such as raised electrical panels,

purchase of generators, etc. Mr. Dykoff stated the Township has entered into an agreement with a firm to help prepare FEMA paperwork. He advised Mr. Woolf to contact the Township for further information if needed.

BUSINESS REPORT

November Meter Reads – Ms. Barrett reported 3,807 meters were read in November for Cycles 3 and 9. One hundred thirty eight work orders were cut to obtain manual reads not obtained during regular meter read routes.

December Billing – Ms. Barrett reported utility bills were mailed on December 5th in the amount of \$805,653.17. Penalties were assessed on 3,374 past due accounts (all cycles) in the amount of \$24,126.59 for a total billing in December of \$829,779.76.

Customer Service – Ms. Barrett reported twelve new customer welcome letters were mailed in October, and two responses were received in November. Thirty eight final reads with equipment inspections were performed in November with no violations.

2013 Tax Lien Sale – Ms. Barrett reported 1,464 accounts in the amount of \$1,162,062.49 were certified to the Tax Collector on Monday, December 3rd for potential lien sale. The Tax Sale is scheduled for January 23, 2013.

MUAA Dinner/Meeting – Ms. Barrett stated the MUAA dinner/meeting would be held on Thursday, December 13th.

January 2013 Meeting – Ms. Barrett reminded all that the January 2013 meeting has been rescheduled to January 9, 2013.

ENGINEER'S REPORT

Resolution No. 2012-66 – Preliminary Sewer and Water Approval – David Verge Minor Subdivision - Mr. Contreras reported his office received the application and plans for preliminary sewer and water approval for David Verge Minor Subdivision, Block 1306, Lots 9-13. The applicant is proposing to construct a two (2) lot minor subdivision on the east side of Hollywood Drive, between Parkside Drive and Crestwood Road. The applicant proposes to utilize an existing water service and install a new sanitary lateral for one of the lots, and utilize an existing sanitary lateral and install a new water service for the remaining lot. On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Masciale to adopt *Resolution No. 2012-66, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Preliminary Sewer and Water Approval, David Verge Minor Subdivision, Block 1306, Lots 9-13*. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution No. 2012-67 – Permit to Operate – Cimarron Woods – G.S. Realty – On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Juliano to adopt *Resolution 2012-67, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Permit to Operate Sewer and Water Systems, with contingencies, for Cimarron Woods, G.S. Realty Corporation, Block 1026, Lot 7 and Block 1125, Lots 37-53*. Roll call vote: Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Water Treatment Plant No. 1 Upgrades – Mr. Contreras stated his office prepared the application for administrative approval (Courtesy Review) for WTP No 1 site, and preliminary and final major site plan for Well No. 8. Both applications were reviewed and approved. His office has not received a permit to construct at this time.

Cleaning & Televising Contract No. 7 – Mr. Contreras stated the close-out documents have been prepared for this project.

S-2 and FRB-2 Pump Station Hydraulic Comminutor - Mr. Contreras stated the contract documents have been prepared for the Authority's signature.

MUA Garage Property - Mr. Contreras stated Mr. Dasti would address this issue.

Hill Street Water Tank – Mr. Contreras stated his office prepared and submitted the compliance review comments for this site. Mylars are to be signed by owner and recorded.

ATTORNEY'S REPORT

Crown Castle – Mr. Dasti stated the assignment of the Lease Agreement with the subsidiary of Crown Castle has been finalized.

Toll Brothers – Mr. Dasti stated the amendment to the Developer's Agreement has been finalized. The Authority has provided representatives of Toll Brothers with a check representing initial payments from third party users.

OCUA Deficiency – Mr. Dasti stated he expects that this matter will proceed to arbitration.

MUA Garage Property – Mr. Dasti stated there is an issue on whether or not the Authority would have to obtain site plan approval from the Township regarding the Crown Castle location. Mr. Woolf stated Crown Castle is only looking to do equipment upgrades on the tower. Mr. Dasti pointed out the Authority received approval 15 years ago from the Township that indicated the Authority does not need site plan approval. He forwarded all documentation to Ms. Laureigh. Mr. Dykoff will speak to Ms. Laureigh about this issue.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended October 31, 2012 – Mr. Holman reported user charges for sewer and water resulted in an unfavorable variance for the month and year to date. Delinquency charges on sewer and water had a favorable variance for the month and year to date. Year to date connection fees were greater than what was anticipated.

CORRESPONDENCE

Mr. Knoeller stated there have been customers requesting they not pay for water and sewer services, due to their homes being uninhabitable after the storm. He stated a process needs to be in place in deeming these homes uninhabitable so the Authority can determine if it should stop water and sewer charges to these homes. Mr. Knoeller stated the Township is requesting the customer obtain a letter from their insurance company stating that their home is uninhabitable. After the Township certifies to the Authority that the home is uninhabitable, the Authority can make the decision to discontinue services and not charge the customer. He stated some insurance companies are refusing to give homeowners a letter. In those cases, the Township is not deeming that home uninhabitable. Mr. Woolf stated Ms. Laureigh indicated to him that if the insurance company determines that damage to a home is greater than 50% of the assessed value of the home the insurance company will deem it uninhabitable and they will provide a letter to the Township.

Mr. Dykoff asked a list be provided to him of those customers who are stating their homes are uninhabitable. He would provide Mr. Curtin with this list and possibly go out and inspect the home.

Mr. Knoeller stated a determination has to be made until this gets resolved with the Township. He asked Mr. Woolf to work with Mr. Curtin on this issue as soon as possible. Mr. Dasti pointed out if the Authority is losing income as a result of lost revenue it may be reimbursable by FEMA.

Charles Sturman, Sarasota Drive – Requesting relief of utility bill, due to leak in crawl space. Since the water that leaked 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 sanitary sewer charges in the amount of \$136.60 (29,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Jessica Lotito, Tamarack Road – Requesting relief of utility bill and payment plan, due to unexplained high water usage. After consideration of the request, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to authorize a payment plan to pay balance of September 2012 bill. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Mr. & Mrs. Belford, Pine Street – Requesting relief of utility bill, due to leak in crawl space. Since the water from the hose 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 sanitary sewer charges in the amount of \$155.10 (29,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. & Mrs. Hoffman, E. Lacey Road – Requesting relief of utility bill, due to filling pool without pool fill meter. Customer will be advised that pool-fill credits against sewer charges are only issued with the use of a pool fill meter.

Monique Gaumont, Beach Blvd. – Requesting relief of utility bill, due to damages incurred by the hurricane. The Board Tabled customer’s request until a decision is made by the executive director, through the advice and counsel of the Director of Community Affairs, if home is deemed uninhabitable.

Gus Symanski, Laurel Blvd. – Requesting relief of utility bill, due to damages incurred by the hurricane. The Board Tabled customer’s request until a decision is made by the executive director, through the advice and counsel of the Director of Community Affairs, if home is deemed uninhabitable.

**OLD
BUSINESS**

Form of Contract – S-2 and FRB-2 Pump Station Hydraulic Comminutors
Chairman Knoeller and Secretary Kennedy executed the Form of Contract for S-2 and FRB-2 Pump Station Hydraulic Comminutors between the Lacey Municipal Utilities and Derstine Company, LLC in the amount of \$101,000.00.

**NEW
BUSINESS**

Mr. Knoeller asked the finance committee to meet and discuss the Authority’s options in what to do with the monies received from the sale of the cell tower. Mr. Masciale asked Mr. Woolf to schedule the meeting before the end of the year.

**PUBLIC BUSINESS/
COMMENT**

There was no public business/comment.

Mr. Dykoff thanked Mr. Woolf for the Authority’s assistance during the storm.

**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 \$765,199.18 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. Miklosey and seconded by Mr. Masciale to adopt the above resolution. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes, but abstains on Eastern Warehouse Distributors; Kennedy-Yes; Knoeller-Yes. Motion passed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:40 p.m.

Respectfully submitted,

Michele Kennedy
Secretary

