

**LACEY MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING  
JANUARY 4, 2012**

Pledge of Allegiance

**ROLL CALL**

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, January 4, 2012 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 Felipe Contreras, engineer; Jerry Conaty, auditor; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director. Mark Dykoff, Lacey MUA/Township Committee Liaison, also attended the meeting. Chris Connors, attorney, arrived as reflected in the minutes.

**“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**

**Rate Hearing & Regular Meeting of December 7, 2011** - A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Rate Hearing & Regular Meeting of December 7, 2011. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**Closed Session Meeting of December 7, 2011** - A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to approve the minutes of the Closed Session Meeting of December 7, 2011. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE  
DIRECTOR'S  
REPORT**

**Cash Balance Report - Period Ending November 30, 2011** - Mr. Woolf summarized the cash balances for period ending November 30, 2011 as follows: Total cash balance for the unrestricted accounts were \$2,050,843.39, with earnings of \$1,705.29. Total cash balance for the restricted accounts held by the trustee were \$7,249,197.84 with earnings of \$24,072.54. Current period interest on the restricted and unrestricted accounts was \$25,777.83. Year-to-date earnings on all interest bearing accounts were \$121,021.07.

**Resolution 2012-04 – Authorizing Transfer of Funds – 2011 Sewer and Water Budget** – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2012-04, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing*

*Transfer of Funds, 2011 Sewer and Water Budget.* Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**Change Order No. 1 – Water Treatment Chemicals 2011** – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Juliano authorizing Change Order No. 1 for Water Treatment Chemicals 2011 for a net quantity adjustment of \$2,152.50. Mr. Woolf explained we had some trouble with our chemical bids for 2012 so we need to extend the contract with the vendor from 2011. Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed. Mr. Miklosey asked how long are we extending ... Woolf – there is a resolution to reject the bids that were accepted and will go out to bid and hopefully award at the February meeting. Knoeller – noted the change order it states the contract period for completion would extend to 2/1/2012.

**Resolution 2012-01 – Rejecting Bids for Water Chemical Supplies 2012** – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution 2012-01, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Rejecting All Bids for Water Chemical Supplies 2012.* Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**Resolution 2012-05 – Awarding Contract for Cleaning and Televising Sanitary Sewer Contract No. 7** – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Kennedy to adopt *Resolution 2012-05, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Awarding Contract for the Cleaning and Televising Sanitary Sewer Contract No. 7 Project to D & D Trenchless Solutions, Inc.* Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Chris Connors arrived during this portion of the meeting.

**Resolution 2012-06 – Awarding Contract for Hydraulic Communitor at L2 Pump Station** – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2012-06, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Awarding Contract for the Hydraulic Communitor at L2 Pump Station to Municipal Maintenance Company.* Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Mini Excavator** - Mr. Woolf requested authorization to advertise and receive bids for a Kubota Model U25 mini excavator, which was approved in the 2012 budget. Mr. Knoeller asked what would the excavator be used for. Mr. Woolf explained it would be used for digging up service lines in tight property areas. Mr. Knoeller asked if the excavator would be used at least 200 hours per year. Mr. Woolf stated not likely. Mr. Knoeller suggested renting an excavator when needed. It would rent for approximately \$125.00 a day. Mr. Masciale asked what is the cost of the excavator. Mr. Woolf stated \$33,000.00. Mr. Knoeller asked Mr. Woolf to review the need for the excavator.

**BUSINESS  
REPORT**

**December Meter Reads** – Ms. Barrett reported 4,397 meters were read in December for Cycles 1, 4 & 9. One hundred forty two work orders were cut to obtain manual reads not obtained during regular meter read routes.

**January Billing** – Ms. Barrett reported utility bills were mailed/hand delivered January 5<sup>th</sup> in the amount of \$992,400.10. Penalties were assessed on 3,406 past due accounts (all cycles) in the amount of \$22,258.42 for a total billing in January of \$1,014,658.52.

**Customer Service** – Ms. Barrett reported twenty-one new customer welcome letters were mailed in November, and six responses were received in December. Thirty-three final reads with equipment inspections were performed in December with one violation. During a service call, LMUA personnel discovered one of the office suites at 731 W. Lacey Road was connected to the city water system without a water meter. She explained two suites were combined originally. After one of the suites became a separate business, a plumber installed a jumper. This is in the process of being rectified.

**2011 Tax Lien Sale** – On December 9<sup>th</sup>, 1,521 lien notices were mailed. Outstanding charges for these past due accounts totaled \$1,251,911.51. The LMUA office started collecting the Township's preparation of sale charges on December 15<sup>th</sup>.

**ENGINEER'S  
REPORT**

**Resolution 2012-02 – Tentative Sewer and Water Approval – EES Office Building – Block 315, Lots 3 & 16** - Mr. Contreras reported his office received the application and plans for tentative sewer and water approval for EES Office Building Major Site Plan, Block 315, Lots 3 & 16. The applicant is proposing to renovate an existing 1-1/2 story dwelling on the east side of Route 9, north of Jones Road, and convert the residential dwelling into a commercial office site. The applicant proposes to service the building using the existing water and sewer services provided for this building. On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution 2012-02, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Tentative Sewer and Water Approval, EES Office Building Major Site Plan, Block 315, Lots 3 & 16*. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed. Mr. Knoeller asked Mr. Contreras to make sure the snow and ice removal procedure is included in the operations agreement.

**Resolution 2012-03 – Maintenance Bond Release – Water Treatment Plant No. 2 Upgrade – T.K.T. Construction Co., Inc.** - On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2012-03, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Maintenance Bond Release, Water Plant No. 2 Upgrade, T.K.T. Construction Co., Inc.* Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Water Treatment Plant No. 1 Upgrades** – Mr. Contreras reported the Authority has received Water Allocation approval for the upgrades to water treatment plant No. 1. Minor and major pollutants plans and modified well records were submitted to the

Bureau of Safe Drinking Water on securing the construction permit for the modifications of the Water Treatment Plant.

Mr. Contreras stated the Authority must be proactive on the electrical installation to the site of Well #8. The dollar amount must be figured out before going out to bid. He stated electrical installation could be all above ground or under ground. Either way, it would cost the same. Mr. Masciale asked if there are any advantages for going underground. Mr. Contreras stated the problem going under ground along Bayonne Avenue is that it is not a finished road. It is a paper street and the final elevation needs to be established. He suggested going above ground on Bayonne Avenue, and then going under ground on Center Street.

**Cleaning and Televising Contract No. 6 & Flow Assessment** – Mr. Contreras stated one lateral is still pending.

#### **ATTORNEY'S REPORT**

Mr. Connors stated there was nothing to report at this time.

Mr. Miklosey asked Mr. Connors if he reviewed the possibility of proposing a law banning cleaning wipes in the State of New Jersey. Mr. Connors stated it may be problematic, however, he will research this possibility further.

#### **AUDITOR'S REPORT**

**Accountant's Status Report – Month Ended November 30, 2011** – Mr. Conaty reported sewer and water are operating at a favorable variance for the month. Net user charges are favorable on the sewer side of budget, however, unfavorable on the waterside of budget. Delinquency charges and interest income had a favorable variance on both water and sewer. Sewer connection fees are unfavorable, water connection fees favorable.

#### **CORRESPONDENCE**

**Stella Marmo, Capstan Drive** – Requesting relief of utility bill, due to water leak. 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 sewer charges in the amount of \$4.48 (4,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**William Stasse, Clubhouse Drive** – Requesting relief of utility bill, due to a leaking pipe. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to grant a credit adjustment on the sewer charges in the amount of \$65.57 (24,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**John Kopac, Plove Court** – Requesting relief of utility bill, due to water leak. 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 sewer charges in the amount of \$224.13 (55,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Scott Testino, Maunaloa Drive** - Requesting relief of utility bill, due to broken hose. Since the water from the hose did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to grant a credit adjustment on the sewer charges in the amount of \$110.45 (38,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**Barbara Ferrell, Bullard Avenue** - Requesting relief of utility bill, due to high water usage/toilet leak. Based upon all the available information, a waiver of a portion of the charges could not be supported.

**Mary Sanders, Plover Court** - Requesting relief of utility bill, due to water leak. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Juliano to grant a credit adjustment on the sewer charges in the amount of \$42.25 (11,000 gallons). Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Marcela Casler, Constitution Drive** - Requesting relief of utility bill, due to leaking expansion tank. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to grant a credit adjustment on the sewer charges in the amount of \$100.69 (34,500 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**OLD  
BUSINESS**

There was no old business to discuss.

**NEW  
BUSINESS**

**Water Treatment Plant Financing** – Mr. Knoeller stated there may be a regulatory requirement where the Authority's Bond Counsel be involved in recording the short-term note for financing of the pump station. Bond Counsel's proposal for services would be \$15,000.00. Mr. Knoeller recommended he, the Finance Committee, Mr. Dasti and Mr. Holman discuss this issue further so the Authority can begin the financing process with Ocean First Bank. Mr. Knoeller stated if Bond Counsel is required, payment for their services should not exceed \$15,000.00.

Mr. Miklosey asked if a line of credit would be available to the Authority from Ocean First Bank. Mr. Conaty explained Ocean First would not issue a line of credit. The Authority would be setting a maximum cap of funds with the bank, and the Authority would be able to take funds from that amount when needed.

A motion was made by Mr. Miklosey and seconded by Mr. Juliano authorizing up to \$15,000.00 be paid to Bond Counsel if needed. Authorization is contingent upon review with attorney, auditor, Finance Committee and Chairman. Roll call vote: Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. Contreras stated his office submitted a letter of intent application for the NJEIT. Mr. Masciale asked when would the Authority be going out for bid on this project. Mr. Contreras stated he would like to have the permit before going out for bid; therefore, approximately six weeks.

**PUBLIC BUSINESS/  
COMMENT**

Allison Lemke – Ms. Lemke asked if there was a public hearing regarding new water allocation for the new wells. Mr. Contreras stated there was a hearing and it was advertised in the Asbury Park Press. There was also an additional 15-day comment period.

Ms. Lemke asked what is the total gallons per minute (gpm) for the new wells. Mr. Contreras stated 1500 gpm.

Ms. Lemke asked if there have been any problems with Wells 1 & 2. Mr. Woolf stated there are some water quality issues regarding iron with Well No. 1. This well is run as a standby well. Well No. 2 is run as a lead well. He stated these wells would be abandoned once the new wells are running. Once new wells are running it would be a gain of 1000 gpm. He pointed out in the Water Allocation Permit the Authority did not request additional water. The plan is to split up gpm amongst the new wells and older wells.

Ms. Lemke stated the public notice that was advertised addressing the new wells stated the entire project would be financed by a special loan. She is aware the Authority was not able to get that loan. Mr. Woolf stated the wells were purchased in cash. The loan the Authority is currently seeking is a low interest loan with Ocean First Bank. This loan would be to finance the remainder of the project. Ms. Lemke asked what is the total cost of the wells and new treatment plant. Mr. Woolf stated \$1.6 million for two wells, and approximately \$2.5 million for the treatment plant.

Ms. Lemke asked if there are any updates on the cemetery project. Mr. Woolf and Mr. Knoeller stated they have not received any information on this issue.

Ms. Lemke asked if there have been any updates regarding sewer services on Finnegar Farm. Mr. Woolf stated there are no updates to report at this time.

**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 \$260,853.42 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.

**ADJOURNMENT**      There being no further business to discuss, the meeting was adjourned at 7:30 p.m.

Respectfully submitted,

Michele Kennedy  
Secretary