

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
MAY 1, 2013**

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, May 1, 2013 and was called to order at 7:00 p.m. by James Knoeller, Chairman. Other members present were Richard Kennedy, Arthur Miklosey, and Jack Nosti. 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. 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**

Regular Meeting of April 3, 2013 - A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to approve the minutes of the Regular Meeting of April 3, 2013. Roll call vote: Miklosey-Yes; Kennedy-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending March 31, 2013 - Mr. Woolf summarized the cash balances for period ending March 31, 2013 as follows: Total cash balance for the unrestricted accounts were \$5,796,280.44, with earnings of \$1,578.16. Total cash balance for the restricted accounts held by the trustee were \$7,008,686.57, with earnings of \$1,779.48. Current period interest on the restricted and unrestricted accounts was \$3,357.64. Year-to-date earnings on all interest bearing accounts were \$12,702.73.

Resolution 2013-31 – Letter of No Interest – Bradley Hoyt – On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2013-31, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Letter of No Interest, Lot Consolidation and Minor Subdivision, Bradley Hoyt, Block 804, Lots 2, 3 & 4*. Roll call vote: Miklosey-Yes; Kennedy-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

Resolution 2013-29 – Transfer of Funds – Sewer and Water Budget – Mr. Woolf stated the \$4,000.00 line item transfer for insurance is due to an increase on the

insurance premium. He explained he went with a lower deductible this year, which was a difference between \$10,000 and \$1,000. Mr. Knoeller asked Mr. Woolf to obtain approval from the Finance Committee the next time the premium is due. Mr. Woolf stated another reason for the transfer is the Authority receives a credit each year that goes towards the insurance premium; however, this year the credit was put in the general fund.

Mr. Knoeller asked how many claims were put in over the last five years. Mr. Woolf stated he would have to research the figures. Mr. Dasti recommended reviewing the insurance premiums for next year at least 90 days before the premium is due.

On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2013-29, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Transfer of Funds 2013 Sewer and Water Budget*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

Resolution 2013-27 – Accept and Approve 2012 Audit – On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2013-27, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Accepting and Approving the Audit Ending Fiscal Year December 31, 2012*. Roll call vote: Miklosey-Yes; Kennedy-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

2013 Bond Refunding – Mr. Woolf stated the finance committee discussed if it would be feasible to refund the 2002 sewer bond and the 2003 A & B water bond. It was determined there would be a significant savings by refunding the bonds. However, in order to refund the bonds the Authority must appoint a financial advisor to assist the Authority with this process. Mr. Woolf stated Acacia Financial submitted a proposal to be appointed as financial advisor in the amount of \$15,500.00. Mr. Miklosey recommended obtaining at least two other proposals. Mr. Dasti stated Mr. Holman would be able to provide the Authority with names of additional financial advisors for review. Mr. Dasti pointed out fees are only paid to the financial advisor if and when there is a bond refunding.

Mr. Woolf stated the Authority had received proposals for Bond Counsel in January. At that time, the Authority did not move forward in appointing a Bond Counsel and now one is required. Mr. Woolf presented proposals from Gluck Walrath and DeCotiis Fitzpatrick. Mr. Knoeller noted Gluck Walrath's fixed fee is \$22,500, with expenses ranging from \$750 to \$1,500. DeCotiis Fitzpatrick's fixed fee is \$24,500, with estimated expenses of \$2,000. Mr. Knoeller recommended appointing Gluck Walrath as Bond Counsel. A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to appoint Gluck Walrath as Authority Bond Counsel. Roll call vote: Miklosey-Yes; Kennedy-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

Woolf asked if it is necessary to appoint an Underwriter at this point. Mr. Dasti recommended waiting until a financial advisor is appointed.

Mr. Miklosey stated Acacia Financial still has not sent a report on the Authority's investments. Mr. Conaty stated he would contact them.

Mr. Knoeller asked Mr. Miklosey to make a recommendation for financial advisor at the June 5th meeting.

Brookdale Treatment Plant – Mr. Woolf stated the Brookdale Treatment Plant has not been in service since 2005. Additionally, the Authority is not permitted to operate it any longer. Mr. Woolf asked the Board to authorize the engineer to prepare specifications to decommission the Plant. Mr. Knoeller asked what the plans for the property are. Mr. Knoeller asked Mr. Woolf to research if Pheasant Run Association would be willing to purchase it. A motion was made by Mr. Miklosey and seconded by Mr. Nosti to authorize the engineer to prepare specifications to decommission Brookdale Wells 1 & 2. Roll call vote: Miklosey-Yes; Nosti-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

BUSINESS REPORT

April Meter Reads – Ms. Barrett reported 3,895 meters were read in April for Cycles 2 and 9. One hundred four work orders were cut to obtain manual reads not obtained during regular meter read routes.

May Billing – Ms. Barrett reported utility bills would be mailed on May 3rd in the amount of \$710,520.95. Penalties were assessed on 3,479 past due accounts (all cycles) in the amount of \$16,445.41 for a total billing in May of \$726,966.36.

Customer Service – Ms. Barrett reported thirty-three new customer welcome letters were mailed in March, and four responses were received in April. Forty-four final reads with equipment inspections were performed in April with no violations.

Superstorm Sandy - Ms. Barrett reported as of April 30th there were ninety two water turn offs due to the storm at no charge to the customer. Field crew performed ninety-nine storm related repairs. LMUA charges were discontinued to 40 damaged homes in Cycle 3 and 41 damaged homes in Cycle 2, of these four have reconnected. One submerged meter was replaced in Cycle 3 and five meters in Cycle 2, at no charge to customer. She stated the list of meters potentially affected by the storm is still being generated. The LMUA can expect to replace all submerged meters in the next 18 to 24 months.

ENGINEER'S REPORT

Resolution 2013-28 – Water Performance Bond Release – Closeout Escrow Account Health Equities, LLC – On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Nosti to adopt *Resolution 2013-28, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Water Performance Guarantee Release, Closeout Developer Escrow Account, Health Equities, L.L.C., Block 225, Lot 13*. Roll call vote: Miklosey-Yes; Nosti-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2013-30 – Performance Bond Release and Final Payment – Accept Maintenance Bond – S-2 and FRB-2 Pump Station Hydraulic Comminutors - Derstine Company, LLC – On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Nosti to adopt *Resolution 2013-30, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Release of Performance Bond and Final Payment, Acceptance of Maintenance*

Bond, S-2 and FRB-2 Pump Station Hydraulic Comminutors, Derstine Company, LLC. Final payment amount is \$2,020.00. Roll call vote: Miklosey-Yes; Nosti-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated this project is ongoing. The backwash tank foundation is complete, and the tank is to be erected this week. He stated now would be a good time if anyone is interested to see the construction in progress. He anticipates a completion schedule of June 30th.

Mr. Woolf asked if there is going to be a hold up from NJDEP before a line can be installed once the project is complete. Mr. Dittenhofer stated typically, when the plant is completed, NJDEP would perform a water sample test. They are allowed six weeks to produce the results. This would be the only delay, however, his office can do that ahead of time. Mr. Woolf stated he would like the testing done soon, since it would be beneficial to have the wells in service for the summer.

Cleaning and Televising Contract No. 7 – Mr. Dittenhofer stated this project is complete. Closeout documents for this project are being prepared.

Installation of Hydraulic Grinder at Parkers Point and L-4 Pump Station – Mr. Dittenhofer stated this project is under design and is expected to be bid May 4th.

Cleaning & Televising - Mr. Miklosey asked about the cleaning & televising contract. Mr. Woolf stated \$200,000.00 is budgeted for this project, however, the Board has not authorized the engineer to go out to bid for this project. On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy authorizing the engineer to do the design work and prepare bid specifications for cleaning & televising of the Forked River Beach area. Roll call vote: Miklosey-Yes; Kennedy-Yes; Nosti-Yes; Knoeller-Yes. Motion passed. Mr. Dasti recommended the cleaning and televising be made part of the FEMA reimbursement request.

ATTORNEY'S REPORT

Crown Castle Lease Extension – Mr. Dasti stated his office forwarded another letter to the Township's Attorney seeking to ascertain whether the Township Committee has agreed to execute the Easement Agreement in favor of Crown Castle.

Union Negotiations – Mr. Dasti stated correspondence was received from the Teamsters Union Representative requesting the Authority begin negotiations with the Union. He suggests scheduling some meetings with the negotiation team and thereafter schedule a meeting with the Union Representative.

Insurance Reimbursement – Mr. Dasti stated he met with an individual named Larry Bathgate, who is with a national law firm called Merlin Law Group who represents policy holders against insurance companies as a result of catastrophes. They have indicated the Authority could be reimbursed for lost revenues on sewer and water due to the storm. They are looking to have discussions in entering into an agreement, which would include payment on a contingency basis. For instance, no payments would be due from the Authority unless payments were received as a result of the efforts of the law firm. Mr. Knoeller asked that a meeting be scheduled with this firm to discuss this issue

further. Mr. Dasti stated he will inform Mr. Woolf of the dates they will be in the area. Mr. Dykoff asked for a list of the dates. Mr. Woolf stated he will forward him an email.

**AUDITOR'S
REPORT**

Accountant's Status Report – Month Ended March 31, 2013 – Mr. Conaty reported sewer and water user charges, expenses and revenues resulted in a favorable variance for the month. Connection fees resulted in a favorable variance, due to connection fees for Toll Brothers. Mr. Miklosey asked if the figures include what the Authority gives back to Toll Brothers. Mr. Conaty stated yes - it is included in the net amount.

Mr. Conaty stated he would provide the names of two financial advisors for the Authority's review. Mr. Dasti asked Mr. Conaty forward those names to him and he will send them a letter to present proposals to the Authority.

OCUA – Mr. Knoeller asked about the status of the OCUA arbitration. Mr. Dasti stated he has not heard from the arbitrator, but he will call him.

CORRESPONDENCE

Joseph Conticchio, Cambridge Road – Requesting relief of utility bill, due to unexplained high water usage. Since the last water meter reading shows that the usage has returned to normal, the Board could not justify an adjustment to the account.

John Davin, Hemlock Drive – Requesting payment plan. After consideration of this request, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to grant a payment plan. Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

Reinheimer & Reinheimer on behalf of Mr. & Mrs. Dupnak, Sunrise Blvd. – Mr. Dasti explained the customer is requesting the arrears be placed in Debtor's chapter 13 plan to be paid back by the Trustee over the remaining 33 months of the plan. He stated they would keep the new payment current. After consideration of this request, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to file a claim to place the past-due post-petition water and sewer charges to be paid back by the Trustee over the remaining 33 months of the plan. Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

**OLD
BUSINESS**

There was no old business to discuss.

**NEW
BUSINESS**

There was no new business to discuss.

**PUBLIC BUSINESS/
COMMENT**

There was no public business/comment.

**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 \$728,045.85 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. Nosti and seconded by Mr. Miklosey to adopt the above resolution. Roll call vote: Nosti-Yes; Miklosey-Yes; Kennedy-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

