

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
JANUARY 3, 2018**

Pledge of Allegiance

ROLL CALL

The Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, January 3, 2018 and was called to order at 6:30 p.m. by James Knoeller, Chairman. Other members present were Michael Masciale, Jack Nosti, Arthur Miklosey, Ralph Lanuto, Alan Baker, and Paul DeNicola. Also present were Jerry Dasti, attorney; Alan Dittenhofer, engineer; Brian Waldron, auditor; Deborah Kramer, office manager; and Edward A. Woolf, executive director. Nick Juliano, Lacey MUA/Township Committee Liaison also attended the meeting.

**“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.

**APPROVAL
OF MINUTES**

Regular Meeting of December 6, 2017 - A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Regular Meeting of December 6, 2017. Roll call vote: Masciale-Yes; Miklosey-Yes; Lanuto-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

Closed Session Meeting of December 6, 2017 - A motion was made by Mr. Miklosey and seconded by Mr. Masciale to approve the minutes of the Regular Meeting of December 6, 2017. Roll call vote: Miklosey-Yes; Masciale-Yes; Lanuto-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending November 30, 2017 - Mr. Woolf summarized the cash balances for period ending November 30, 2017 as follows: Total cash balance for the unrestricted accounts were \$10,235,207.00, with earnings of \$5,034.00. Total cash balance for the restricted accounts held by the trustee were \$4,229,412.65, with earnings of \$2,381.72. Current period interest on the restricted and unrestricted accounts was \$7,415.72. Year-to-date earnings on all interest bearing accounts were \$101,577.20.

Resolution 2018-08 – Line Item Transfers – On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Lanuto to adopt *Resolution 2018-08, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Transfer of Funds, 2017 Sewer and Water Budgets* Roll call vote: Miklosey-Yes; Lanuto-Yes; Nosti-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2018-02 – Award Contract – Water Treatment Chemicals 2018 - On recommendation by the executive director, a motion was made by Mr. Nosti and seconded by Mr. Miklosey to adopt *Resolution 2018-02, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Awarding a Contract for Water Treatment Chemical Supplies 2018*. Roll call vote: Nosti-Yes; Miklosey-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Change Order No. 1 – Water Treatment Chemicals 2017 – On recommendation by the executive director, a motion was made by Mr. Nosti and seconded by Mr. Miklosey approving change order No. 1 for a net contract increase of \$2,443.00. This increase represents 3,600 bags of hydrated lime. Roll call vote: Nosti-Yes; Miklosey-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2018-03 – Award Contract – New Administration Building Construction - On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Nosti to adopt *Resolution 2018-03, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Awarding a Contract for the Construction of the New Administration Building*. Contract awarded to Shoreland Construction, Inc., in the amount of \$1,664,200.00. Roll call vote: Miklosey-Yes; Nosti-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**BUSINESS
REPORT**

The business report was submitted for review.

**PUBLIC
COMMENT**

Mike Albevic, Dunberry Drive – Mr. Albevic asked for the rationale and cost analysis for constructing a new administration building. Mr. Knoeller explained the present building is not large enough to accommodate sewer and water personnel. The idea is to have one central location for all employees. Also, the current building does not have proper storage space. There is an existing storage building at the new site that will be

included in the new complex. In regards to the use of the present building, Mr. Knoeller stated since the Township owns the building they have multiple uses under consideration. Mr. Juliano stated the building will become the new networks and senior center.

Mr. Albevic asked what the projected cost is for the new building. Mr. Knoeller stated the bid for construction came in at \$1.6 million dollars. This will be paid by money saved from bond refinancing. He pointed out that utility rates have not been raised in five years, and there is no intention to raise them.

Russ Arlotta, Lovelock Lane – Mr. Arlotta asked will the rates remain flat. Mr. Knoeller stated there will be no increases next year. He explained the Authority pays approximately \$3 million dollars a year to the Ocean County Utilities Authority to treat its wastewater sewer treatment. If the OCUA passes a significant increase, the Authority has in the past passed it through to the ratepayers. The past couple of years the Authority absorbed those increases. He stated it is the goal of the Authority to pay down the bonds used for constructing the new building and perhaps offer a reduction in rates in the future.

Mike Montaza, Lovelock Lane – Mr. Montaza stated he is concerned that the water pressure in the Sea Breeze development will deteriorate with the new section of Toll Brothers being built. Mr. Knoeller stated a representative from the development, Nick Spaltro, has been to numerous LMUA meetings expressing his concern over lack of water pressure. Those concerns have been addressed through the engineer and executive director.

Mr. Dittenhofer stated he has been the consulting engineer for the Authority for approximately 30 years. When Toll Brothers first came to Lacey in 2004, they filed for Preliminary sewer and water approval for 668 homes and 100 apartments. They were granted that approval and subsequently, Tentative and Final approval was granted in 2007. The Authority provided their engineer with pressure and flow information for them to complete the design of their development. He added that they paid for upgrades to the Authority's system to the water treatment plant and some distribution. Mr. Knoeller stated Toll Brothers was also granted a permit by the NJDEP.

Mr. Dasti stated sufficient information has been provided to Toll Brothers for them to design their system and have sufficient water pressure for residents. It is up to Toll Brothers on how they design their water lines. Mr. Knoeller stated it is the Authority's responsibility to inspect the main water line and saddle connections to the curb of the lots. The developer brings that line from the curb into the home and designs whatever size line they want to use into the home. The Authority's engineer's inspects to make sure the contractor is installing the mains properly. The Authority does not get involved in any inspections on the site.

Mr. Woolf stated there are residents at Sea Breeze that are dissatisfied with water flow inside their home. This does not mean there is a problem with the main line that in the street. The line to the curb comes off an 8" main and goes down 1" to the curb. From that point it is no longer part of the water utility, it becomes part of the household plumbing. The builder does not report to the Authority what size pipe he is putting in the house. Mr. Woolf stated flow testing was recently done and paid by Toll Brothers to

the site to determine if there is a pressure problem. The results indicate there is no problem with pressure or flow to that site. He stressed that the sizing of the pipe used in the homes are inadequate.

Mr. Woolf gave a brief demonstration of the type of tubing used in the Sea Breeze homes. Based on the demonstration, Mr. Woolf indicated the developer used insufficient size piping and fittings throughout the home causing the lack of water pressure. If Toll Brothers upsized the piping throughout the house, residents would not be having a problem with pressure. It is not a problem with the water distribution system or the water that the LMUA is supplying. The water pressure was known to be between 55 and 60 psi for that site, which is adequate pressure.

Nick Spaltro, Dunberry Drive – Mr. Spaltro stated Toll Brothers builds homes the same way everywhere in the State of New Jersey and none of them have water pressure issues.

ENGINEER'S REPORT

Resolution 2018-04 – Tentative Sewer and Water Approval – 107 North Main Street, LLC – Mr. Dittenhofer reported his office received the application and plans for tentative sewer and water approval for 107 North Main Street, LLC, Block 315, Lot 1.01. The applicant is proposing to construct a two-story 1,260 SF mixed use building on an existing commercial site at the intersection of Route 9 and Jones Road, in the northeast corner. The applicant proposes to connect to an existing curb stop for the property and install a water service to the building. The applicant also proposes to connect to an existing cleanout for the property and install a sanitary lateral to service the building. On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Masciale to adopt *Resolution No. 2018-04, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Tentative Sewer and Water Approval, 107 North Main Street, LLC, Block 315, Lot 1.01*. Roll call vote: Miklosey-Yes; Masciale-Yes; Lanuto-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

Resolution 2018-06 – Tentative Sewer and Water Approval – Lacey Town Village – M & T at Lacey, LLC – Mr. Dittenhofer reported his office received the application and plans for tentative sewer and water approval for Lacey Town Village – M & T at Lacey, LLC, Block 739.01, Lots 2.06, 2.07, 7.03 & 7.04; Block 739, Lot 7.02. The applicant is proposing to construct a Major Site Plan consisting of six (6) 3-story condominium buildings with a total of 144 units and a 5,941 SF clubhouse on the southern side of Laurel Boulevard, east of Railroad Avenue. The applicant proposes to install two (2) wet taps, one on Laurel Boulevard and one on Route 9 and install an 8" DIP water main loop to service the buildings. The applicant also proposes to connect to the existing sewer main located in South Street with a doghouse manhole and extend 8" PVC sewer main to service the buildings. On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Masciale to adopt *Resolution No. 2018-06, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Tentative Sewer and Water Approval, Lacey Town Village – M & T at Lacey, LLC, Block 739.01, Lots 2.06, 2.07, 7.03 & 7.04; Block 739, Lot 7.02*. Roll call vote: Miklosey-Yes; Masciale-Yes; Lanuto-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

Resolution 2018-07 – Permit to Operate – Sea Breeze at Lacey – Section 2, Phase 2F

On recommendation by the engineer, a motion was made by Mr. Miklosey and seconded by Mr. Masciale to adopt Resolution 2018-07, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, state of New Jersey, Permit to Operate Sewer and Water System, Sea Breeze at Lacey, Section 2, Phase 2F, Blocks 1901.17, 1901.18, Various Lots. Roll call vote: Miklosey-Yes; Masciale-Yes; Lanuto-Yes; Nosti-Astain; Knoeller-Yes.

Mr. Knoeller pointed out the applicant is proposing a water service size of $\frac{3}{4}$ ", and he is concerned this water service size will further reduce the volume into those homes. He asked Mr. Woolf to contact the Township's plumbing code official to ensure they are using the correct size water service to these homes. The plumbing code official should also be aware of the issues the development is having.

A motion was made by Mr. Nosti and seconded by Mr. Masciale to amend the motion to adopt the Resolution until further research is made regarding the size of the main entering the home. Roll call vote: Nosti-Yes; Masciale-Yes; Lanuto-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Change Order No. 2 - Fairview Lane Sanitary Improvements – On recommendation by the Authority's engineer, a motion was made by Mr. Masciale and seconded by Mr. Miklosey approving Change Order No. 2 representing Township requested road improvements for a net contract increase of \$64,288.59. Roll call vote: Masciale-Yes; Miklosey-Yes; Lanuto-Yes; Nosti-Yes; Knoeller-Yes. Motion passed.

**ATTORNEY'S
REPORT**

New Administration Building – Mr. Dasti stated the Township Planning Board unanimously approved the application for Preliminary and Final Site Plan approval. He expects the Resolution will be memorialized by the Planning Board at its January meeting.

Fairview Avenue Sewer Extension – Mr. Dasti stated he reviewed correspondence from Remington & Vernick to NJDCA concerning the fact that the change orders exceed 20%.

Water Treatment Chemical Bids – Mr. Dasti stated he reviewed the bid documentation for water treatment chemical bids.

**AUDITOR'S
REPORT**

Accountant's Status Report – Month Ended November 30, 2017 – Mr. Waldron reported sewer and water revenues had a favorable variance for the month and year-to-date. Sewer and water expenses had a favorable variance for the month and year-to-date. Sewer and water user charges had an unfavorable variance for the month and year-to-date.

Mr. Waldron stated the audit is scheduled for the first two weeks of March.

CORRESPONDENCE

Susan Zovak, Dogwood Lane – Mr. and Mrs. Zovak were present requesting relief of utility bill, due to sprinkler system valve leak. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Nosti and seconded by Mr. Miklosey to grant a one-time credit adjustment on the sewer charges in the amount of \$276.12 (68,000 gallons). Roll call vote: Nosti-Yes; Miklosey-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

OLD BUSINESS

Professional Services Agreement – Lanuto Architecture, LLC – Authority Architect – Chairman Knoeller executed the Professional Services Agreement between the Lacey Municipal Utilities Authority and Lanuto Architecture, LLC.

Resolution 2018-01 – Salary Increase – Secretary Nosti executed Resolution 2018-01, Memorializing action taken on December 6, 2017, authorizing salary increase for Nicole Kelley.

NEW BUSINESS

Mr. Knoeller asked Mr. Masciale and Mr. Lanuto to make the nominations for officers at the February reorganization meeting.

PUBLIC BUSINESS/ COMMENT

Mark Invesky, Arborridge Drive, SeaBreeze – Mr. Invesky stated the 2016 auditor's report, as well as the 2018 budget report are not on the Authority's website. Mrs. Kramer stated they are now on the website.

Regina Discenza, Sunset Drive – Mrs. Discenza asked if the Home Depot site was inspected for their use of snow clearing materials. Mr. Knoeller stated he will check after the snowstorm. Mr. DeNicola stated he was at Home Depot last week and sand was used.

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 \$314,669.39 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; Lanuto-Yes; Nosti-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.
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 and seconded to return to open session. Motion unanimously carried.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:50 p.m.

Respectfully submitted,

Michele Kennedy
Executive Secretary

