

**LACEY MUNICIPAL UTILITIES AUTHORITY
RATE HEARING & REGULAR MEETING
DECEMBER 1, 2010**

Pledge of Allegiance

ROLL CALL

A Rate Hearing and regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, December 1, 2010 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 and Jack Nosti. Also present were Jerry Dasti, attorney; Alan Dittenhofer, engineer; Felipe Contreras, engineer; Jerry Conaty, auditor; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director.

**“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**

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-23 and 40:14B-23 et seq. The notification of this rate hearing was published in the Asbury Park Press and Atlantic City Press on November 10, 2010.

Edward A. Woolf, Executive Director – Mr. Woolf stated the Authority’s Finance Committee has examined the Authority’s cash balances and rate stabilization funds, and compared them to its annual budget expenditures. Based on this review, it is necessary to adjust the current water and sewer rates and charges.

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.

Proposed Adjustments to Current Sewer Service and Consumption Charges – A 4% increase is being proposed for the service charges, and a 4% increase is being proposed for sewer consumption charges.

Mr. Woolf outlined the proposed water and sewer rate projections, and 2011 Water and Sewer Budget Summary as attached.

**COMMISSIONERS
COMMENTS**

Mr. Knoeller asked when would the rate stabilization fund be depleted. Mr. Woolf stated in approximately two years. Mr. Knoeller explained the increases are necessary to offset the Authority's debt, in addition to escalating OCUA fees, operating expenses, etc. The objective is to ease the burden for the ratepayers a little at a time for when the rate stabilization fund is depleted.

**PUBLIC
TESTIMONY**

There was no public testimony.

**FORMAL
ACTION**

Resolution 2010-85 – Establishing Sanitary Sewer and Water Rates Effective January 1, 2011 – A motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution 2010-85, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Establishing Sanitary Sewer & Water Rates, Effective January 1, 2011*. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

The Rate Hearing was concluded.

**APPROVAL
OF MINUTES**

Regular Meeting of November 3, 2010 - A motion was made by Mr. Miklosey and seconded by Mr. Masciale to approve the minutes of the Regular Meeting of November 3, 2010. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Abstain. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending October 31, 2010 - Mr. Woolf summarized the cash balances for period ending October 31, 2010 as follows: Total cash balance for the unrestricted accounts were \$3,337,622.87, with earnings of \$2,117.03. Total cash balance for the restricted accounts held by the trustee were \$7,660,744.04, with earnings of \$6,304.20. Current period interest on the restricted and unrestricted accounts was \$8,421.23. Year-to-date earnings on all interest bearing accounts were \$142,367.54

Resolution 2010-88 – Authorize Transfer of Funds – 2010 Sewer and Water Budget
On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2010-88, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Transfer of Funds 2010 Sewer and Water Budget*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2010-86 – Adopt 2011 Water Budget – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2010-86, 2011 Adopted Water Budget Resolution, Lacey Municipal*

Utilities Authority. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2010-87 – Adopt 2011 Sewer Budget – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2010-87, 2011 Sewer Adopted Budget Resolution, Lacey Municipal Utilities Authority.* Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Change Order No. 1 – Water Treatment Chemical Supplies 2010 – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to approve Change Order No. 1, representing quantity adjustment for a net contract increase of \$2,524.80. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2010-83 – Award Contract for Supply of Water Treatment Chemical Supplies for 2011 – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2010-83, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Awarding Contracts for the Supply of Water Treatment Chemical Supplies for 2011.* Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2010-81 – Award Contract for Software Maintenance for 2011 – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2010-81, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Awarding Contract for Software Maintenance to New World Systems Corporation.* Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2010-82 – Local and Long Distance Telephone Service – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2010-82, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Local and Long Distance Telephone Service, Magellan Hill.* Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

BUSINESS REPORT

November Meter Reads – Ms. Barrett reported 3,797 meters were read in November for Cycles 3 and 9. Forty-two work orders were cut to obtain manual reads not obtained during regular meter read routes. Four reads were questioned because of high usage. One customer was contacted by phone and three customers were sent letters.

December Billing – Ms. Barrett reported utility bills will be mailed/hand delivered on December 2nd or 3rd in the amount of \$741,461.06. Penalties were assessed on 3,275 past due accounts (all cycles) in the amount of \$25,795.78 for a total billing in December of \$767,256.84.

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

MUAA Dinner/Meeting – Ms. Barrett stated the MUAA dinner/meeting would be held on Thursday, December 9th.

ENGINEER'S REPORT

Resolution No. 2010-84 – Performance Guarantee Release – Final Payment – Change Order No. 1 – Cleaning & Televising Sewer Contract No. 5 – D & D Utility Contractors, Inc. – On recommendation by the Authority's engineer, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2010-84, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Performance Guarantee Release and Final Payment, Change Order No. 1, Cleaning & Televising Sewer Contract No. 5, D & D Utility Contractors, Inc.* The change order represents final asbuilt adjustments for a net contract decrease of (\$12,553.26). Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Wells and Water Treatment Plant at Well No. 1 Site – Mr. Dittenhofer stated Well No. 8 is under development. The aquifer test, which is needed for a water allocation permit, is scheduled to be run from December 13th to December 17th.

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated the design of the upgrades is ongoing. BWA permit application and BSDW information is being gathered.

Repainting of Tank No. 2 – Mr. Dittenhofer stated the contractor is to complete additional work and punch list items before the end of the year.

Cleaning & Televising Contract No. 6 & Flow Assessment – Mr. Dittenhofer stated additional work on this project is to begin on December 13th.

Municipal Lane Pump Station Upgrades & Standby non-Clog Pumps – Mr. Dittenhofer stated construction at the Otto Lane pump station is complete. There is one more station to be done and this project will be complete.

ATTORNEY'S REPORT

Purchase from Lacey Township – Mr. Dasti stated the closing has been completed and the Deed has been recorded for the purchase of the Maintenance Garage property from the Township.

Midlantic Construction Company – Mr. Dasti stated he is in the process of scheduling a meeting with Midlantic Construction to discuss the issue of the damages sustained at the Beach Boulevard Bridge.

Toll Brothers – Mr. Dasti stated his office is finalizing the issue of the amount of reimbursement due to Toll Brothers for over-sizing the upgrade to the water plant. The amount due to Toll Brothers for the over-sizing will be paid over the next ten (10) years

at the rate of \$350.00 per EDU for any and all property owners benefiting from this upgrade and improvement to the Authority. There should be no costs charged directly to the Authority for this upgrade.

Union Negotiations – Mr. Dasti stated a meeting has been scheduled with the PERC for February 1, 2011.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended October 31, 2010 – Mr. Conaty stated the OCUA fee analysis through the end of October are below estimate. Therefore, the Authority can expect a credit of approximately \$176,000.00 from the OCUA. Mr. Masciale asked how would this credit affect the Authority's budget. Mr. Woolf stated it would be a positive. However, the OCUA questioned whether or not the meters they installed are accurate. They are in the process of having the manufacturer check them for performance. Mr. Miklosey pointed out last months readings are very close as compared to last year.

Mr. Conaty stated user charges for sewer and water resulted in a favorable variance for the month. Overall, revenues are favorable for both water and sewer. Expenses are up versus the budget for the month.

CORRESPONDENCE

Norman Hunter, Penn Avenue North – Mr. Hunter was present to find out the status of relief of his utility bill, due to unexplained high water usage. Mr. Kennedy stated the irrigation meter was removed and it tested accurate. Mr. Woolf stated he also went out to Mr. Hunter's residence and no leaks were detected.

Mr. Knoeller stated since this issue has to do with the irrigation meter only, the Authority is legally unable to provide relief. Mr. Dasti suggested offering Mr. Hunter a payment plan. Mr. Knoeller acknowledged that Mr. Hunter has already paid what was due to the Authority. Ms. Barrett suggested refunding Mr. Hunter what he has paid toward auxiliary service, and put that amount on a payment plan. Mr. Knoeller agreed, adding it would be without interest, and the fee for testing the meter would be waived. Mr. Woolf informed Mr. Hunter Ms. Barrett would establish what the monthly payments would be and will contact him. He also stated the Authority will refund Mr. Hunter all but \$50.00 of the original bill, which will be the first installment of the monthly payment. Mr. Miklosey asked Mr. Hunter to contact Mr. Woolf when he turns his sprinkler system on next year so he can come out to his residence and check it out. A motion was made by Mr. Masciale and seconded by Mr. Kennedy to refund Mr. Hunter up to \$50.00 of what he paid toward auxiliary service, and offer a payment plan for the balance of the water charges due, as well as waiving the fee for testing the meter. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller. Yes. Mr. Hunter thanked the Board for their assistance.

Eugene Roberts, Dutch Court – Requesting relief of utility bill, due to unexplained high water usage. Since the water meter tested accurate, a waiver of a portion of the charges could not be supported.

Alfredo Estremera, Lake Barnegat Drive North – Requesting relief of utility bill, due to water leak. Since the paperwork customer provided is from 2009 and does not substantiate leaks during the time period in question, a waiver of a portion of the charges could not be supported.

Mr. & Mrs. Reuter, Teakwood Drive – Requesting relief of utility bill, due to a 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 sanitary sewer charges in the amount of \$31.04 (8,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Michael Strycharz, Capstan Drive – Requesting waiver of late charges. A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to waive the late charges in the amount of \$5.57. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

John Liga, Twin River Drive – Requesting relief of utility bill, due to leak in crawl space. Since the water 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 \$416.84 (65,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Leeann Conley, Birch Road – Requesting relief of utility bill, due to unexplained high water usage. The Board explored any options that may be available for granting relief. Based upon the information available, a waiver of a portion of the charges could not be supported. The Board agreed to grant additional time to pay the November 2010 bill. A motion was made by Mr. Kennedy and seconded by Mr. Masciale authorizing a payment plan be set up for the customer. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Scott Brennan, Windward Drive – Requesting relief of utility bill, due to leak in water line. 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 \$233.87 (49,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Dennis DeBonis/Dolores Caruso, Kalae Drive – Requesting relief of utility bill, due to leaking expansion tank. Since the water 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 \$20.14 (18,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Marc Brierley, Hazelton Avenue – Requesting relief of utility bill, due to a leaking pipe. Since the water 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 \$23.28 (6,000 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**

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 \$1,302,227.22 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; but abstains on Total Building Services. Motion passed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:35 p.m.

Respectfully submitted,

Michele Kennedy
Secretary

