

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
JANUARY 6, 2010**

Pledge of Allegiance

ROLL CALL

The regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, January 6, 2010 and was called to order at 7:00 p.m. by James Knoeller, Chairman. Other members present were Michael Masciale, Richard Kennedy, Arthur Miklosey, Barbara Lanuto, 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. Brian Reid, 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.

Mr. Knoeller sadly announced the passing of David Hannah. He was a resident of Lacey Township who frequently attended the LMUA Board Meetings.

**APPROVAL
OF MINUTES**

Regular Meeting of December 2, 2009 - A motion was made by Mr. Masciale and seconded by Mr. Kennedy to approve the minutes of the Regular Meeting of December 2, 2009. Roll call vote: Masciale-Yes; Kennedy-Yes; Lanuto-Yes; Miklosey-Yes; Knoeller-Abstain. Motion passed.

Closed Session Meeting of December 2, 2009 – A motion was made by Mrs. Lanuto and seconded by Mr. Miklosey to approve the minutes of the Closed Session Meeting of December 2, 2009. Roll call vote: Lanuto-Yes; Miklosey-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Abstain. Motion passed.

**EXECUTIVE
DIRECTOR’S
REPORT**

Cash Balance Report - Period Ending November 30, 2009 - Mr. Woolf summarized the cash balances for period ending November 30, 2009 as follows: Total cash balance for the unrestricted accounts were \$3,014,273.04, with earnings of \$16,156.65. Total cash balance for the restricted accounts held by the trustee were \$8,592,241.27 with earnings of \$28,177.31. Current period interest on the restricted and unrestricted

accounts was \$44,333.96. Year-to-date earnings on all interest bearing accounts were \$347,051.97.

Resolution 2010-04 – Award Contract for Supply of Water Treatment Chemical Supplies for 2010 – A motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt Resolution 2010-04, *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 2010*. Roll call vote: Kennedy-Yes; Masciale-Yes; Lanuto-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

2010 Pump Maintenance and Repair - Mr. Woolf requested authorization to advertise and receive bids for 2010 pump maintenance and repairs. A motion was made by Mrs. Lanuto and seconded by Mr. Masciale authorizing advertisement to receive bids for 2010 pump maintenance and repair. Roll call vote: Lanuto-Yes; Masciale-Yes; Miklosey-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2010-06 – Utilization of Fair and Open Process – Proposals for Professional Services – A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt Resolution 2010-06, *Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Utilization of the Fair and Open Process, in accordance with N.J.S.A. 19:44A-20.4, ET SEQ, for the Receipt of Proposals for Professional Services*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

BUSINESS REPORT

December Meter Reads – Ms. Barrett reported 4,365 meters were read in December for Cycles 1, 4 and 9. Ninety-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. Three customers were sent a letter.

January Billing – Ms. Barrett reported utility bills were mailed/hand delivered on January 6th in the amount of \$944,274.61. Penalties were assessed on 3,095 past due accounts (all cycles) in the amount of \$19,704.93 for a total billing in January of \$963,979.54.

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

Tax Lien Sale – Ms. Barrett reported 1,325 lien notices were mailed on December 31st. Outstanding charges for the past due accounts totaled \$900,982.06. The Lacey MUA office started collecting the Township's preparation of sale charges on January 4th.

ENGINEER'S REPORT

Resolution 2010-03 – Acceptance of Maintenance Bond – South Branch marina Water Main Extension – DSC Construction Company, Inc. – On recommendation by the Authority's engineer, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt Resolution 2010-03, *Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Acceptance of Maintenance Bond for South Branch Marina Water Main Extension, DSC Construction Company, Inc*. Roll call

vote: Masciale-Yes; Miklosey-Yes; Lanuto-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Wells and Water Treatment Plant at Well No. 1 – Mr. Dittenhofer stated well No.7 is currently being drilled. The outer casing has been installed to a depth of over 1600 feet, and the contractor is preparing to set the screen operation. He stated the well should be able to produce water by the end of February. Mr. Knoeller asked when would the testing start with the NJDEP. Mr. Dittenhofer stated the plan is to get well No. 7 constructed, and water quality samples taken before starting well No. 8. Mr. Knoeller asked in what area would the water flow come from. Mr. Dittenhofer stated in all likelihood it would be flowing from the Princeton area. Mr. Miklosey asked if there would be a deduction on this contract. Mr. Dittenhofer stated there would be a deduction on the linear footage.

Water Treatment Plant No. 2 Upgrades – Mr. Dittenhofer stated there are two minor punch list items still pending.

Beach Boulevard Bridge Utility Relocation – Mr. Dittenhofer stated there have been some equipment issues regarding this project. There was equipment failure, and the driller lost a piece of drilling equipment. The contractor will begin drilling again on January 11th, and it should be completed two weeks after that. He stated the County engineer's office has been notified of this delay.

Cleaning and Televising Contract No. 5 - Mr. Dittenhofer stated this project is 65% complete.

Repainting of Tank No. 2 – Mr. Dittenhofer stated this project was advertised and a bid opening is scheduled for January 13, 2010.

Maintenance Garage Re-Roofing – Mr. Dittenhofer stated this project was advertised and a bid opening is scheduled for January 13, 2010.

Cleaning and Televising Contract No. 6 & Flow Assessment – Mr. Dittenhofer stated this project was advertised and a bid opening is scheduled for January 20, 2010.

Municipal Lane Pump Station Upgrades & Standby Non-Clog Pumps – Mr. Dittenhofer stated this project was advertised and a bid opening is scheduled for January 20, 2010.

ATTORNEY'S REPORT

1451 Clearview Street – Mr. & Mrs. Block – Mr. & Mrs. Block was present to request relief on their connection fee to the sanitary sewer system. Mr. Woolf explained Mr. Block's septic system is failing. He had asked if there was a way to connect to the sanitary sewer system. Mr. Woolf stated the sewer main could not be extended to Mr. Block's home - it is approximately 100 feet away from the nearest sewer main. He and Mr. Block discussed the possibility of a sewer ejector pump and force main rather than installing a replacement septic system. At that time, Mr. Block asked if there was any kind of relief the LMUA can offer him. At the last meeting, the board agreed to waive the formal review fees. The issue of relief of connection fees was also discussed. Mr. Dasti reported the Authority could not legally waive a connection fee. Mr. Woolf asked

Mr. Block how much would it cost him to install the sewer ejector pump and force main. Mr. Block stated approximately \$13,000.00.

Mr. Knoeller asked Mr. Block if he would have hooked up to the sewer system if he was given the opportunity to do so when he built his home (1980s). Mr. Block stated yes. Mr. Knoeller explained as bondholders, the Authority cannot legally waive a connection fee; however, the Authority can consider giving some money towards payment for the ejector pump. Mr. Knoeller stressed that the history behind this issue must be taken into consideration. He pointed out the Blocks wanted to hook up to the sanitary sewer system but were unable to do so since the Authority could not service them. Mr. Knoeller asked if Mr. Block paid any other fees. Mr. Woolf stated they paid a \$350.00 inspection fee to inspect the sewer lateral from the main to the curb. Mr. Masciale stated the connection fee and inspection fee amounts to \$2,000.00 and he does not have a problem granting relief for this amount. Mr. Kennedy asked if this could legally be done. Mr. Dasti stated the Authority is permitted to assist in defraying expenses. Under this circumstance, the Authority was unable to provide sanitary sewer service to him at that time. Mr. Nosti stated this is an individual circumstance, and cannot be used as a precedent because at the time they could not tie into the sewer. He concurs with aiding them through a rebate towards their system. Mr. Woolf stated the property would have a deed restriction on it that the owner operates and maintains the pump and force main until it gets to the gravity sewer lateral. The LMUA will own the sewer lateral. Mr. Knoeller stated there are individual hardship cases in where the Authority can provide assistance to a homeowner. Based upon the circumstances, this case qualifies for a hardship. The board concurred.

With the Block's permission, Mr. Staruch asked if the Authority could waive some of their monthly fees to relieve their costs after the system is put in. The board answered no – it would be a violation.

A motion was made by Mr. Masciale and seconded by Mr. Miklosey to grant the Block's a \$2,000.00 credit to assist them in the costs associated with installing the sewer ejector pump and force main system. This credit is granted since the Authority was unable to provide a sanitary sewer lateral hook up when they built their home. Roll call vote: Masciale-Yes; Miklosey-Yes; Lanuto-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Fieldcrest Commons/Colony Properties – Mr. Dasti stated his office received and approved the maintenance agreement submitted by the developer concerning the force main property.

2010 Rate Hearing – Mr. Dasti stated his office is awaiting the stenographic record of the rate hearing held on December 2, 2009.

Lacey Township Lease Agreement – Mr. Dasti stated he received the Lease Agreement for the property behind the municipal building. He will review the Agreement and forward it to the Board for their review. Mr. Knoeller asked if property improvements would be completed this year. Mr. Woolf stated RV&V has prepared a site plan. The lot obtained from the Township has been cleared.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended November 30, 2009 – Mr. Conaty stated user charges resulted in a favorable variance on the sewer side of the budget. However, user charges resulted in an unfavorable variance on the water side of the budget. Delinquency charges for both water and sewer had a favorable variance, due to collection of late fees and penalties. Interest income for water and sewer had a favorable variance for the month, and a year to date favorable variance due to the maturity of investments. Connection fees for sewer and water had an unfavorable variance for the month, but a favorable balance year to date due to connection fees paid by Wal-Mart and Perkins. Utilities, fuel, repairs and maintenance had a favorable variance on both water and sewer. Markout supplies had an unfavorable variance, due to the purchase of a Metrotech Locator, a tool used for mark outs. Mr. Knoeller asked how much of an impact did the increase in delinquency fees have an impact on the budget. Mr. Conaty stated delinquency fees are recorded as a cash basis.

CORRESPONDENCE

Bernadette Monari/Sophie Farley – Ms. Monari, on behalf of her mother, is requesting a waiver of late charges, due to passing of her mother. After consideration of this request, a motion was made by Mr. Kennedy and seconded by Mrs. Lanuto to waive the late charge in the amount of \$2.25. Roll call vote: Kennedy-Yes; Lanuto-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. & Mrs. Hassal, Beach Boulevard - Mr. and Mrs. Hassal are requesting credit of service charge call. Since service personnel had already been dispatched, and did check to see if there were any additional problems at residence, the Board could not waive the emergency service charges.

Carol Reda, Parkers Point Boulevard – Mr. Kennedy requested this issue be discussed in closed session, due to potential litigation.

Joseph Appello, Crestwood Drive – Mr. Kennedy requested this issue be discussed in closed session, due to potential litigation.

Charles Fino, Hollywood Drive – Mr. Fino is requesting relief of utility bill, due to water pipe leak. Mr. Kennedy stated another meter reading is needed before a determination of relief can be made.

OLD BUSINESS

Resolution 2010-01 – Memorialize action taken 12-2-09 – Merit Increase – Debra Kipikasha – Secretary Kennedy executed *Resolution 2010-01, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Memorializing Action Taken on December 2, 2009, Granting Merit Salary Increase for Debra Kipikasha.*

Resolution 2010-02 – Memorialize action taken 12-2-09 – Creating Position of Jet-Vac Truck Operator – Secretary Kennedy executed *Resolution 2010-02, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Memorializing Action Taken on December 2, 2009, Creating Position of Jet-Vac Truck Operator.*

Resolution 2010-08 – Appoint Harry Peckham at Jet-Vac Truck Operator – On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2010-08, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Harry Peckham to the position of Jet-Vac Truck Operator*. Roll call vote: Miklosey-Yes; Kennedy-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2010-05 – Memorialize action taken 12-2-09 – Authorize Execution of Maintenance Agreement with Colony Properties/Fieldcrest Commons – Sanitary Sewer Approval – Secretary Kennedy executed *Resolution 2010-05, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Memorializing Action taken December 2, 2009, Authorizing Execution of Maintenance Agreement with Colony Properties/Fieldcrest Commons, Sanitary Sewer Approval, Block 1665.01, Lots 1.01 & 1.02*.

Resolution 2010-07 – Memorialize Action taken 12-2-09 – Waiver of Formal Application and Review Process – Sewer Ejector Pump and Force Main – John Block – Secretary Kennedy executed *Resolution 2010-07, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Memorialize action taken December 2, 2009, Waiver of Formal Application and Review Process, Sewer Ejector Pump and Force Main, Block 1206, Lots 15-19, John Block*.

Mr. Knoeller suggested Mr. Reid inform the Township Committee that the Authority's finance committee researched interest rates at numerous banks, and found that Hudson City Savings Bank has the highest interest rate.

**NEW
BUSINESS**

Mr. Knoeller asked Mr. Masciale and Mr. Kennedy to recommend nominations of officers at the February reorganization meeting.

**PUBLIC BUSINESS/
COMMENT**

Regina Discenza – Mrs. Discenza made the Board aware of David Hannah's passing.

Carl Garriger (sp), Sunrise Beach Area – Mr. Garriger stated he was confused by the article in the Asbury Park Press regarding the LMUA rate increase. He stated the paper indicated that a family of four using 20,000 gallons would be charged \$20.00 per month. Mr. Woolf stated the paper made a typographical error. He explained there is a 4% increase on service charges and on user fees, for both sewer and water. The average increase would be approximately \$32.00 per year for a family of four that uses 20,000 gallons. Mr. Knoeller stated it was a confusing article and apologized.

Regina Discenza – Mrs. Discenza asked if new well #7 was pumping. Mr. Knoeller stated it is not. It is currently being drilled, and the casings are being installed. Mrs. Discenza asked when would water be pumped out of it. Mr. Dittenhofer stated at the end of February.

Mrs. Lanuto welcomed Mr. Reid as the LMUA/Lacey Township liaison. She asked Mr. Woolf to provide her and Mr. Reid with a summary on Authority matters so Mr. Reid can report on them at Township Committee meetings.

**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 \$700,882.32 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. Kennedy to adopt the above resolution. Roll call vote: Miklosey-Yes; Kennedy-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:55 p.m.

Respectfully submitted,

Michele Kennedy
Secretary