

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
JUNE 2, 2010**

Pledge of Allegiance

ROLL CALL

The regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, June 2, 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; Frank Holman, auditor; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director.

**“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 May 5, 2010 - A motion was made by Mr. Miklosey and seconded by Mr. Nosti to approve the minutes of the Regular Meeting of May 5, 2010. Roll call vote: Miklosey-Yes; Nosti-yes; Lanuto-Abstain; Kennedy-Abstain; Masciale-Yes; Knoeller-Yes. Motion passed.

Closed Session Meeting of May 5, 2010 – A motion was made by Mr. Nosti and seconded by Mr. Miklosey to approve the minutes of the Closed Session Meeting of May 5, 2010. Roll call vote: Nosti-Yes; Miklosey-Yes; Lanuto-Abstain; Kennedy-Abstain; Masciale-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR’S
REPORT**

Cash Balance Report - Period Ending April 30, 2010 - Mr. Woolf summarized the cash balances for period ending April 30, 2010 as follows: Total cash balance for the unrestricted accounts were \$4,954,908.63, with earnings of \$3,839.80. Total cash balance for the restricted accounts held by the trustee were \$6,238,311.78, with earnings of \$21,048.45. Current period interest on the restricted and unrestricted accounts was \$24,888.25. Year-to-date earnings on all interest bearing accounts were \$57,471.84.

Resolution 2010-43 – Purchase of 2011 Ford Ranger Truck – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mrs. Lanuto to adopt *Resolution 2010-43, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Purchase 2011 Ford Ranger 4X4*

Extended CAB purchased from Holman Ford Truck Center in the amount of \$20,474.50. Roll call vote: Kennedy-Yes; Lanuto-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2010-46 – Award Contract – Furnish & Delivery of Water Meters and Associated Materials – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2010-46, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Awarding Contract for the Furnishing and Delivery of Water Meters and Associated Materials to HD Supply Waterworks, LTD* in the amount of \$149,925.00. Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

OCUA - Mr. Woolf stated the Authority received notification from the Ocean County Utilities Authority that they will increase their 2011 rates by 2.5%, which is equivalent to \$79,000.00.

Mr. Woolf stated he sent a letter to the OCUA requesting relief for the March 2010 metered flow charges in the amount of \$55,606.00. He noted total sewer discharge overage since the start of the year amounts to approximately \$77,000.00.

Dolores Lynch - Mr. Woolf informed the board that Dolores Lynch will be retiring from the LMUA in August.

Andrew Pagano, F Street – Jason Marciano of East Coast Engineering, on behalf of Mr. Pagano, was present to request relief to allow a long sewer lateral for F Street project. He stated the proposal is to develop one lot, and extend a road to that lot. The lateral being proposed to the nearest sewer manhole is 170' in length. He is aware of the Authority's regulations that state if anything is over 100' a main must be extended. Mr. Knoeller asked if the Authority's engineer had any issues with the original plans. Mr. Marciano stated the engineers recommend the plans be revised to provide a main extension. However, due to the unique circumstances affecting F Street, he is requesting the Authority allow a long sewer lateral. He explained F Street is a paper street that requires improvements to access the lot in question. However, this property is the only buildable lot fronting this portion of F Street. The lack of other potential sewer connections makes a main extension appear to be excessive.

Mr. Knoeller asked what type of pitch is proposed. Mr. Marciano stated he is proposing a lateral ¼ inch per foot as required. Mr. Knoeller asked if he would be going under the paved roadway. Mr. Marciano stated yes. Mr. Knoeller stated the concern is that once the Authority owns the long lateral it would be its responsibility. Mr. Knoeller asked about the cleanouts. Mr. Marciano stated he has proposed three – one at the lot and one at either side of the paved road area. Mr. Nosti suggested it may be cost effective to use Schedule 40 PVC for the whole distance. It is much thicker and would handle a lot more stress. He also suggested the possibility of extending manhole #1 to Lot 22 and running a lateral in the right of way. Mr. Knoeller stated a force main is also a possibility. Mr. Nosti stated he believes a force main is potentially a problem, since it is something that can break down. Mr. Knoeller asked Mr. Marciano to review the options presented by the board and come back to present an option to the Authority's engineer for review.

**BUSINESS
REPORT**

May Meter Reads – Ms. Barrett reported 3,793 meters were read in May for Cycles 3 and 9. Sixty-three work orders were cut to obtain manual reads not obtained during regular meter read routes. Five reads were questioned because of high usage. Three customers were contacted by phone, and two customers were sent letters.

June Billing – Ms. Barrett reported utility bills were mailed/hand delivered on June 3rd in the amount of \$663,978.43. Penalties were assessed on 3,187 past due accounts (all cycles) in the amount of \$15,928.95 for a total billing in June of \$679,907.38. Mr. Knoeller asked how many total accounts are there. Mr. Woolf stated approximately 11,700 accounts.

Customer Service – Ms. Barrett reported forty-nine new customer welcome letters were mailed in April and ten responses were received in May. Forty-one final reads with equipment inspections were performed in May with no violations.

MUAA – Ms. Barrett reported the MUAA dinner/meeting would be held on Thursday, June 10th.

**ENGINEER'S
REPORT**

Resolution 2010-44 – Preliminary Sewer and Water Approval – Emerald Acres Estates – GS Realty Corporation - Mr. Dittenhofer reported his office received plans for preliminary sewer and water approval for Emerald Acres Estates, Block 1026, Lot 7 and Block 1125, Lots 37-53. The applicant is proposing to construct a major subdivision with twenty (20) units between Taylor Lane and Cyprus Street. An existing residential dwelling and several sheds are currently located on site. The applicant proposes to remove the existing structures on site and create a cul-de-sac road off of Taylor Lane. The applicant is proposing to connect to the existing water main located in Taylor Lane and extend 6" PVC water main to the end of the cul-de-sac. A total of twelve (12) units will be serviced by this main extension. Four (4) units have frontage on Taylor Lane and will have water services connected to the existing main. Four (4) units have frontage on Cyprus Street and will be serviced from the existing water main located in Cyprus Street. The applicant is advised that the Authority's firm capacity may affect the issuance of a water extension permit by the NJDEP. If a water extension permit is not issued in a timely manner, or is denied for this project, the installation of dry water lines will be required. Individual units may have a private well installed and used as an interim potable water supply until such time as a permit is issued by the NJDEP. Upon the issuance of the necessary permits, any units connected to a private well for potable water supply and all future units shall connect to the public water system. Once connected to the public water system, private wells may be used only for non-potable outside water uses or sealed in accordance with NJDEP regulations. If the applicant does install private wells as an interim potable water supply, the initial connection charge for the future connection to the public water system shall be paid prior to the Authority issuing a Statement of Utilities. The applicant is also proposing to connect to an existing manhole located in Taylor Lane and extend 8" PVC sanitary sewer along the proposed street to service thirteen (13) units. Three (3) of the units on Taylor Lane will have laterals connecting to the existing OCUA sewer main. In accordance with OCUA rules and regulations, a direct lateral connection to the OCUA main is not permitted. The

applicant is required to provide an alternate method of servicing the lots on Taylor Lane. The four (4) units on Cyprus Street will have laterals connecting to the Authority's sewer main in Cyprus Street. On recommendation by the Authority's engineer, a motion was made by Mr. Masciale and seconded by Mrs. Lanuto to adopt *Resolution 2010-44, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Preliminary Sewer and Water Approval, Emerald Acres Estates, GS Realty Corporation, Block 1026, Lot 7, and Block 1125, Lots 37-53*. Roll call vote: Masciale-Yes; Lanuto-Yes; Miklosey-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2010-45 – Maintenance Bond Release – Cleaning & Televising Sanitary Sewer Contract No. 3 – D & D Utility Contractors, Inc. – On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2010-45, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Release of Maintenance Bond for Cleaning & Televising Sanitary Sewer Contract No. 3, D & D Utility Contractors, Inc.* Roll call vote: Miklosey-Yes; Kennedy-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2010-47 – Maintenance Bond Release – Closeout Escrow Account – Lakeside Plaza – DRW Lacey, LLC – On recommendation by the Authority's engineer, a motion was made by Mrs. Lanuto and seconded by Mr. Miklosey to adopt *Resolution 2010-47, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Maintenance Bond Release, Closeout Developer Escrow Account, Lakeside Plaza – Block 225, Lot 17, DRW Lacey, L.L.C.* Roll call vote: Lanuto-Yes; Miklosey-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Wells and Water Treatment Plant at Well No. 1 Site – Mr. Dittenhofer stated the project is on-going. Drilling of Well No. 8 is expected to start July 1st.

Conceptual Design Water Treatment Plant No. 3 (Bayonne Avenue) – Mr. Dittenhofer stated his office has prepared the conceptual design, engineer's report, cost estimates, and plans for this project.

Cleaning & Televising Contract No. 5 - Mr. Dittenhofer stated this project is essentially complete, with minor punch list items outstanding.

Repainting of Tank No. 2 – Mr. Dittenhofer stated this project is expected to begin at the end of June.

Maintenance Garage Re-Roofing – Mr. Dittenhofer stated construction permits have been filed by the contractor, and is waiting for approval to start construction.

Cleaning & Televising Contract No. 6 & Flow Assessment – Mr. Dittenhofer stated the contractor has indicated he would be on site this week to start this project.

Municipal Lane Pump Station Upgrades & Standby Non-Clog Pumps – Mr. Dittenhofer stated this project is expected to start the third week of June.

Utilization of Well No. 7 – Mr. Dittenhofer stated the requirements to use Well No. 7 as an emergency water source has been forwarded to the board for their review. He pointed out Well No. 7 can not be utilized until Well No. 8 is complete.

ATTORNEY'S REPORT

Resolution 2010-48 – Accept and Approve Third Amendment to Operations Agreement – PR Lacey, LLC – Home Depot Site – On recommendation by the Authority's attorney, a motion was made by Mr. Kennedy and seconded by Mrs. Lanuto to adopt *Resolution 2010-48, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Accepting and Approving Third Amendment to the Operations Agreement with PR Lacey, LLC, Concerning Seasonal Display Area for Home Depot Site Located at Block 314.01, Lot 29.03*. Roll call vote: Kennedy-Yes; Lanuto-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Beach Boulevard Bridge Damage – Mr. Dasti suggested this issue be discussed in closed session.

Exelon Spill - Mr. Dasti suggested this issue be discussed in closed session.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended April 30, 2010 – Mr. Holman stated expenses were under budget on both water and sewer. Sewer revenue is performing well; however, water revenue is on the decline. Connection fees have exceeded the budgeted amount, and delinquency charges and interest income offset the shortfall in user fees.

Mr. Miklosey asked why are the OCUA charges not shown on the variance. Mr. Holman stated it would be reflected in next months report. Mr. Woolf stated the OCUA gives the Authority an estimate, and it is paid based on that estimate at the end of the year. Mr. Miklosey stated he is concerned because at the end of the year the Authority can get hit with a big deficit. Mr. Knoeller asked Mr. Holman to calculate the OCUA charges in future reports.

CORRESPONDENCE

Mr. & Mrs. Meehan, Chelsea Street – Mr. and Mrs. Meehan are requesting waiver of late charge, due to mailing error. A motion was made by Mr. Kennedy and seconded by Mr. Masciale to waive the late charges in the amount of \$3.22. Roll call vote: Kennedy-Yes; Masciale-Yes; Lanuto-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

George Stout, Birch Road – Mr. Stout is requesting waiver of late charge, due to claim of not receiving utility bill. A motion was made by Mr. Kennedy and seconded by Mrs. Lanuto to waive the late charges in the amount of \$7.70 accrued against February utility bill. Roll call vote: Kennedy-Yes; Lanuto-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Thaddeus Dziduszko, Penn Ave. N. – Mr. Dziduszko is requesting waiver of late fee, due to illness. A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to waive the late charges in the amount of \$8.93 assessed against the February and May utility bills. Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. & Mrs. Reiter, Warwick Lane – Mr. & Mrs. Reiter are requesting credit of late charge, due to claim of not receiving utility bill. A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to waive the late charges accrued against February utility bill. There will be a credit on the account of \$3.00. Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. & Mrs. Carlo, Nautilus Boulevard – Mr. & Mrs. Carlo are requesting relief of utility bill, due to high water usage. Mr. Kennedy suggested the customer be sent a letter informing them of their option to have their meter removed and tested.

**OLD
BUSINESS**

There was no old business to discuss.

**NEW
BUSINESS**

There was no new business to discuss.

**PUBLIC BUSINESS/
COMMENT**

Lorraine Sansone, Laurel Boulevard – In reference to the escalated OCUA charges, Ms. Sansone asked about the status of the leaky pipes at the Forked River Beach area. Mr. Woolf stated Video Pipe Services would be examining the pipes in that area. He stated the Authority has been proactive in taking care of leaks. However, with the large amount of saturation in the ground due to heavy rains, water finds its way into the pipelines. Mr. Knoeller pointed out individual homeowner laterals also contribute to the OCUA expense.

Ms. Sansone asked who is the contractor for the Beach Boulevard Bridge project. Mr. Woolf stated the contractor is Midlantic Contracting, who are contracted by the Ocean County Engineering department. Mr. Knoeller stated there is an on-going investigation to determine who is responsible for the damages related to the project. He pointed out the water was fully restored in two weeks.

In regards to new wells 7 & 8, Ms. Sansone asked why can't well No. 7 be utilized until well No. 8 is complete. Mr. Knoeller stated there are DEP regulations involved. Mr. Dittenhofer added regulations state that only in an emergency situation can the well be utilized. Ms. Sansone asked how much would it cost to fund the project; and if the ratepayers would be affected by the cost. Mr. Knoeller stated the cost would be less than 7 million dollars. He stated ratepayers are being affected because the Authority is using surplus to pay for the well. The Authority needs to keep the operating budget afloat, as well as look at future expenses. Ms. Sansone asked the projection for next year in terms of rates. Mr. Knoeller stated there are numerous items that would impact the rates. The OCUA increase, operational costs, overall construction costs for the new wells, and current union negotiations to name a few.

In regards to selling water to Waretown, Ms. Sansone stated Waretown water suppliers have indicated they have enough water to continue doing what they are doing. Mr. Woolf stated if the interconnect goes from Bayville to Stafford everyone would be interconnected. Mr. Knoeller added the Authority is also lobbying to sell water to the power plant.

Ms. Sansone asked if anyone could attend the MUAA meetings. Mr. Knoeller stated no, it is a professional association with other MUAA members.

Regina Discenza, Sunset Drive – Mrs. Discenza asked what necessitated the third amendment to the operations agreement for Home Depot. Mr. Knoeller explained the amendment pertained to the relocation of their outside display area. The Authority did not want any fertilizers in the wellhead protection area.

Brian Reid, Township Liaison – Mr. Reid asked if there is any relief the LMUA can provide to the Township, in terms of money, towards their budget problem. Mr. Knoeller stated the Finance Committee would discuss this request.

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 \$984,020.81 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, but abstains on invoice 20935. 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 potential litigation and 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. Miklosey and seconded by Mr. Masciale 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 by Mr. Miklosey and seconded by Mr. Masciale to reopen the meeting. Roll call vote: Unanimously approved.

**OTHER
BUSINESS**

A motion was made by Mr. Masciale and seconded by Mr. Kennedy to promote Troy Burton to Water Treatment Plant Operator at an annual salary of \$40,000.00. Roll call vote: Masciale-Yes; Kennedy-Yes; Lanuto-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 8:20 p.m.

Respectfully submitted,

Michele Kennedy
Secretary