

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
NOVEMBER 3, 2010**

Pledge of Allegiance

ROLL CALL

The regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, November 3, 2010 and was called to order at 7:00 p.m. by Michael Masciale, Vice Chairman. Other members present were Richard Kennedy, Arthur Miklosey, Barbara Lanuto, and Nick Juliano. Also present were Jerry Dasti, attorney; Alan Dittenhofer, 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. Masciale 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 October 6, 2010 - A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to approve the minutes of the Regular Meeting of October 6, 2010. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending September 30, 2010 - Mr. Woolf summarized the cash balances for period ending September 30, 2010 as follows: Total cash balance for the unrestricted accounts were \$3,549,511.92, with earnings of \$2,145.74. Total cash balance for the restricted accounts held by the trustee were \$7,286,244.78, with earnings of \$6,926.05. Current period interest on the restricted and unrestricted accounts was \$9,071.79. Year-to-date earnings on all interest bearing accounts were \$133,946.31.

Resolution 2010-75 – Authorize Transfer of Funds – 2010 Sewer and Water Budget
On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mrs. Lanuto to adopt *Resolution 2010-75, 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: Miklosey-Yes; Lanuto-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes. Motion passed.

Rate Hearing – The executive director requested authorization to advertise and schedule a rate hearing to examine the Authority’s water and sewer rate structure for 2011. A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to advertise and schedule a rate hearing to be held on December 1, 2010 at 7:00 p.m. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

BUSINESS REPORT

October Meter Reads – Ms. Barrett reported 3,810 meters were read in October for Cycles 2 and 9. Eight work orders were cut to obtain manual reads not obtained during regular meter read routes. Fourteen reads were questioned because of high usage. Four customers were contacted by phone and ten customers were sent letters.

November Billing – Ms. Barrett reported utility bills were mailed/hand delivered on November 3rd in the amount of \$838,785.89. Penalties were assessed on 3,452 past due accounts (all cycles) in the amount of \$26,466.71 for a total billing in November of \$865,252.60.

Customer Service – Ms. Barrett reported twenty-seven new customer welcome letters were mailed in September, and eight responses were received in October. Twenty-two final reads with equipment inspections were performed in October with no violations.

Banking – Mr. Miklosey stated the Authority was advised by TD Bank that they would start charging services charges of approximately \$3,000 a month. He stated the administrative staff had solicited quotes from other banks to provide service to the Authority. Quotes were received from PNC Bank and Ocean First Bank. Since Ocean First Bank’s quote was based solely on the Authority transferring all monies that are in Hudson City Savings Bank, the decision is to move forward with PNC Bank and terminate services with TD Bank. PNC’s service charges would be approximately \$800-\$1,000 a month.

Mr. Miklosey informed the Board that Hudson City Bank has a new money market savings rate of 1.35%, and some investments have been transferred to this new account.

Resolution 2010-76 – Authorize Opening Payroll Account with PNC Bank - A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2010-76*, Authorizing the opening of a payroll account with PNC Bank. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

Resolution 2010-77 – Authorize Opening Clearing Account with PNC Bank - A motion was made by Mr. Miklosey and seconded by Mr. Juliano to adopt *Resolution 2010-77*, Authorizing the opening of a clearing account with PNC Bank. Roll call vote: Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Kennedy-Yes; Masciale-Yes. Motion passed

Resolution 2010-78 – Authorize Opening Water Checking Account with PNC Bank A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2010-78*, Authorizing the opening of a water checking account with PNC Bank. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed

Resolution 2010-79 – Authorize Opening Sewer Checking Account with PNC Bank

- A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2010-79*, Authorizing the opening of a sewer checking account with PNC Bank. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

Resolution 2010-80 – Authorize Opening Developer Escrow Account with PNC

Bank - A motion was made by Mr. Miklosey and seconded by Mr. Juliano to adopt *Resolution 2010-80*, Authorizing the opening of a developer escrow account with PNC Bank. Roll call vote: Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Kennedy-Yes; Masciale-Yes. Motion passed.

On recommendation by Mr. Miklosey, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to approve opening two (2) money market savings accounts with Hudson City Savings Bank. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

**ENGINEER'S
REPORT**

Resolution No. 2010-72 – Performance Guarantee Reduction – Ridgemont Homes – White Oaks at Lacey – Stafford Avenue

– On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mrs. Lanuto to adopt *Resolution 2010-72, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Performance Guarantee Reduction – Water & Sewer System, Ridgemont Homes, White Oaks at Lacey, Stafford Avenue*. Roll call vote: Miklosey-Yes; Lanuto-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes. Motion passed.

Resolution No. 2010-73 – Sewer and Water Cash Maintenance Guarantee Release - Cottontail Lane - Haines Estates

– On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2010-73, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Release Sewer and Water Cash Maintenance Guarantee, Cottontail Lane, Haines Estates, Block 1634.09, Lots 19-22, Jeff Connell*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

Resolution 2010-74 – Release Sewer and Water Performance Guarantees – Closeout Escrow Account – Captains Crossing/Multi-Trust

– On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mrs. Lanuto to adopt *Resolution 2010-74, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Release Sewer and Water Performance Guarantees, Closeout Developer Escrow Account, Captains Crossing – Multi-Trust, Blocks 102, 206; Lots 5.01, 1, 102*. Roll call vote: Miklosey-Yes; Lanuto-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes. Motion passed.

Change Order No. 2 – Construction of Well No. 7 and Well No. 8 – A.C. Schultes, Inc.

– On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to approve Change Order No. 2 representing final Well No. 8 design and relief screen for a net contract decrease of (\$26,425.00), as well as a 63 day time extension for a new project deadline of December 31, 2010. Mr.

Masciale asked when would the project be complete. Mr. Dittenhofer stated it would be complete by mid-December. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

Change Order No. 2 – Tank No. 2 Repainting – Beckett Enterprises, Inc. – On recommendation by the Authority’s engineer, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to approve Change Order No. 2 representing removal and replacement of the existing steel door for a net contract increase of \$3,500.00. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

Wells and Water Treatment Plant at Well No. 1 Site – Mr. Dittenhofer stated the contractor completed the outer casing for Well No. 8, and reverse rotary drilling of the screen has started.

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.

Cleaning & Televising Contract No. 6 & Flow Assessment – Mr. Dittenhofer stated this project is 95% complete. Mr. Woolf pointed out the low-lying sewer lines in the Forked River Beach area would again be studied.

Municipal Lane Pump Station Upgrades & Standby non-Clog Pumps – Mr. Dittenhofer stated construction at the Otto Lane pump station is to begin by November 8th.

ATTORNEY’S REPORT

Beach Boulevard Damage – Mr. Dasti stated he is in the process of scheduling a meeting with the contractor to discuss the proposed change order issue.

Toll Brothers – Mr. Dasti stated his office reviewed and approved two performance bonds submitted on behalf of the Developer.

Purchase of Maintenance Garage Property from Lacey Township – Mr. Dasti stated the purchase of the Maintenance Garage property has been finalized.

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 September 30, 2010 – Mr. Conaty stated user charges and revenues on the sewer and water side of the budget resulted in a favorable variance for the month. Sewer expenditures are favorable; however, water expenditures are unfavorable. Overall, variances are favorable year to date.

Mr. Conaty stated OCUA flows are below the estimate of what they expected to be; therefore, the Authority should be receiving a credit of approximately \$140,000 through September. Mr. Miklosey asked about the footnote regarding OCUA’s concern about

the accuracy of new meters they installed. Mr. Woolf stated he spoke with Keith Marcoon of OCUA and it is their belief that the flows from the new flow meter were low compared to prior months/years. Mr. Woolf informed him the Authority has been doing extensive work to prevent leakage into the system. Mr. Masciale asked how many meters are they checking. Mr. Woolf stated two - one as the flow enters and one as the flow exists the town. He stated they are having the manufacturer who installed the meter check it for performance.

CORRESPONDENCE

Eugene Roberts, Dutch Court – Mr. Roberts was present to request relief of utility bill, due to unexplained high water usage. Mr. Kennedy stated the water meter has been removed and sent out for testing. The Authority will inform him of the results.

Norman Hunter, Penn Avenue North – Mr. Hunter was present to request relief of utility bill, due to unexplained high water usage. Mr. Kennedy stated the irrigation meter must be removed and tested. Mr. Woolf asked Mr. Hunter to contact the Authority to schedule an appointment for removal of the meter. Mr. Miklosey asked Mr. Woolf to go out to Mr. Hunter's residence to check things out.

Mr. & Mrs. Ranuska, Veronica Court – Requesting relief of utility bill, due to unexplained high water usage. Since there is no consumption history to review at this time, the Board will compare 2010's consumption to 2011's consumption this time next year to determine what kind of credit, if any, can be granted for sewer service for the period of June to September 2010.

Diane Gil, Sunrise Boulevard – Requesting relief of utility bill, due to a broken pipe. 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 \$142.04 (26,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

Angela English, Station Drive – Requesting relief of utility bill, due to use of water without irrigation or pool fill meters. 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 one-time credit adjustment on the sewer charges in the amount of \$372.65 (51,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

Anthony Giordano, Carr Street – Requesting additional relief of utility bill, due to filling pool. Mr. Giordano had borrowed a pool fill meter and received a sewer credit for 16,170 gallons. Based upon the documentation submitted, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to grant an additional pool-fill credit in the amount of \$27.18 on the sanitary sewer charges. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

Thomas Palguta, Chelsea Street – Requesting relief of utility bill, due to use of water without irrigation or pool fill meters. 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 one-time credit adjustment on the sewer charges in the amount of \$399.55 (68,500 gallons). Roll

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

Mr. Vorhand/Majestic Investment, LLC, Bobwhite Court – 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 \$29.31. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

Daniel Kramer, Eleanor Road – Requesting relief of utility bill, due to use of water without irrigation or pool fill meters. Since there is no consumption history to review at this time, the Board will compare 2010's consumption to 2011's consumption this time next year to determine what kind of credit, if any, can be granted for sewer service for the period of June to September 2010. Additionally, financial assistance will be offered in the form of a payment plan. A motion was made by Mr. Kennedy and seconded by Mrs. Lanuto to offer financial assistance in the form of a payment plan. Roll call vote: Kennedy-Yes; Lanuto-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes. Motion passed.

Barbara Kennedy, Brentwood Place - Requesting relief of utility bill, due to use of water without irrigation meter. 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 one-time credit adjustment in the amount of \$255.85 (35,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

Bruce Schmidt, Eleanor Road – Requesting relief of utility bill, due to use of water without irrigation meter. 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 one-time credit adjustment in the amount of \$188.15 (37,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

Nadine Papa, Renee Court – Requesting relief of utility bill, due to filling pool without pool fill meter. Since the water did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mrs. Lanuto to grant a credit adjustment in the amount of \$328.95 (45,000 gallons). Roll call vote: Kennedy-Yes; Lanuto-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes. Motion passed.

Edward Scanlon, Newark Avenue – Requesting relief of utility bill, due to use of water without irrigation meter. 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 one-time credit adjustment in the amount of \$218.29 (43,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Lanuto-Yes; Masciale-Yes. Motion passed.

**OLD
BUSINESS**

There was no old business to discuss.

**NEW
BUSINESS**

There was no new business to discuss.

**PUBLIC BUSINESS/
COMMENT**

Regina Discenza, Sunset Drive – In reference to the construction of wells 7 & 8, Mrs. Discenza asked if the project is behind schedule. Mr. Dittenhofer stated it is.

In reference to the Authority purchasing the maintenance garage property from Lacey Township, Mrs. Discenza asked if the LMUA is receiving rent from the Board of Education. Mr. Woolf stated the Authority is not receiving rent. He explained water tank #2 is on the Board of Education property. An agreement was reached with the Board of Education where they allowed the Authority to install cellular phone antennas on their tower in lieu of rent at the garage.

**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 \$968,753.58 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. Miklosey and seconded by Mrs. Lanuto to adopt the above resolution. Roll call vote: Miklosey-Yes; Lanuto-Yes; Juliano-Yes, but abstains on South Jersey Auto Supply; Kennedy-Yes; Masciale-Yes. Motion passed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:40 p.m.

Respectfully submitted,

Michele Kennedy
Secretary

