

**LACEY MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING  
SEPTEMBER 1, 2010**

Pledge of Allegiance

**ROLL CALL**

The regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, September 1, 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, 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. 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.

**APPROVAL  
OF MINUTES**

**Regular Meeting of August 4, 2010** - A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to approve the minutes of the Regular Meeting of August 4, 2010. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Closed Session Meeting of August 4, 2010** – A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Closed Session Meeting of August 4, 2010. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE  
DIRECTOR'S  
REPORT**

**Cash Balance Report - Period Ending July 31, 2010** - Mr. Woolf summarized the cash balances for period ending July 31, 2010 as follows: Total cash balance for the unrestricted accounts were \$4,339,648.05, with earnings of \$3,165.12. Total cash balance for the restricted accounts held by the trustee were \$6,568,408.69, with earnings of \$6,837.57. Current period interest on the restricted and unrestricted accounts was \$10,002.69. Year-to-date earnings on all interest bearing accounts were \$114,838.80.

**Resolution 2010-58 – Appointing Deborah Busch in Position of Utility Billing Supervisor** – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2010-58, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Deborah Busch in the Position of Utility Billing Supervisor*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes.

**Resolution 2010-60 – Authorize Donation of Vehicles to Township of Lacey** – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2010-60, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorize Donation of Vehicles to Township of Lacey*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Resolution 2010-65 – Purchase 2010 Ford Super Duty F450 Dump Truck** - On recommendation by the executive director a motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution 2010-65, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Purchase 2010 Ford Super Duty F450 Dump Truck*. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

## **BUSINESS REPORT**

**August Meter Reads** – Ms. Barrett reported 3,798 meters were read in August for Cycles 3 and 9. Forty-nine work orders were cut to obtain manual reads not obtained during regular meter read routes. Nine reads were questioned because of high usage. Four customers were contacted by phone and five customers were sent letters.

**September Billing** – Ms. Barrett reported utility bills will be mailed/hand delivered on September 2<sup>nd</sup> in the amount of \$820,104.71. Penalties were assessed on 3,231 past due accounts (all cycles) in the amount of \$20,260.15 for a total billing in September of \$840,364.86.

**Customer Service** – Ms. Barrett reported forty-six new customer welcome letters were mailed in July, and eighteen responses were received in August. Thirty-five final reads with equipment inspections were performed in August with no violations.

**MUAA Dinner/Meeting** – Ms. Barrett reported the MUAA dinner/meeting will be held on September 9<sup>th</sup>. The speaker will be from the Brick MUA on Homeland Security as it pertains to MUAs.

## **ENGINEER'S REPORT**

**Resolution No. 2010-61 – Preliminary Sewer and Water Approval – Teles Minor Subdivision – Block 282, Lots 18-21** - Mr. Dittenhofer reported his office received the application and plans for preliminary sewer and water approval for Teles Minor Subdivision, Block 282, Lots 18-21. The applicant is proposing to construct a two (2) lot minor subdivision on the southwest side of Lacey Road between Melwin Drive and Horner Lane. The applicants propose to service the existing dwelling on site using the existing water and sewer services, and install a new water service and sanitary lateral to service the proposed unit. On recommendation by the Authority's engineer, a motion

was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2010-61, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Preliminary Sewer and Water Approval, Teles Minor Subdivision, Block 282, Lots 18-21*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**Resolution No. 2010-62 – Tentative Sewer and Water Approval – GS Realty Corporation – Emerald Acres Estates – Block 1026, Lot 7 & Block 1125, Lots 37-53**

Mr. Dittenhofer reported his office received the application and plans for tentative sewer and water approval for GS Realty Corporation, Block 1026, Lot 7 & 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 Captain Giglio Way, 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 also proposing to connect to an existing Lacey MUA manhole located in the Taylor Lane right-of-way and extend 8” PVC sanitary sewer south along the frontage and along the proposed street to service sixteen (16) units. The four (4) units on Cyprus Street will have laterals connecting to the Authority’s sewer main in Cyprus Street. This project is exempt from a water extension permit. On recommendation by the Authority’s engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2010-62, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Tentative Sewer and Water Approval, GS Realty Corporation – Emerald Acres Estates, Block 1026, Lot 7 & Block 1125, Lots 37-53*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Resolution No. 2010-63 – Preliminary Sewer and Water Approval – Pagano Site Improvement – Block 1211, Lots 23-28**

- Mr. Dittenhofer reported his office received the application and plans for preliminary sewer and water approval for Pagano Site Improvements, Block 1211, Lots 23-28. The applicant is proposing to construct roadway improvements to service a residential site on the eastern side of F Street, south of Clearview Street. The applicant proposes to install an on-site grinder pump and force main to service the property. The force main will run north along F Street to Clearview Street, then east on Clearview Street. The force main will connect to the cleanout of a proposed 4” sanitary lateral connecting to the existing manhole located in Clearview Street. The applicant also proposes to connect to the existing water main located in Sheffield Drive and install a water service for the site. On recommendation by the Authority’s engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2010-63, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Preliminary Sewer and Water Approval, Pagano Site Improvement, Block 1211, Lots 23-28*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Wells and Water Treatment Plant at Well No. 1 Site** – Mr. Dittenhofer stated this project is ongoing. Pilot hole has been drilled to 900', and core samples were coordinated with the contractor and NJGS. This project should be completed by the end of October. At that time, an aquifer test will be performed. Mr. Masciale asked if there are plans to connect wells 7 & 8. Mr. Knoeller stated the engineer is in the process of preparing the plans.

**Conceptual Design Water Treatment Plant No. 3 (Bayonne Avenue)** – Mr. Dittenhofer stated a meeting was held on-site to review the proposed plans for the water treatment plant upgrade. In order to begin the process in fine-tuning the plans, cost estimates, specifications, etc, Mr. Knoeller suggested assigning a building committee and building committee alternates to work with the engineers to move this project along. The Board concurred. Mr. Knoeller stated he and Mr. Masciale would be assigned building committee, and Mr. Nosti and Mr. Miklosey will be assigned building committee alternates.

Mr. Dittenhofer outlined the design characteristics, as well as the existing infrastructure to be utilized. For well Nos. 7 & 8, Mr. Dittenhofer stated new pumping equipment would be installed. Due to the locations of the wells, new well houses will have to be constructed. The raw water from these wells will be conveyed to the treatment system utilizing a portion of the existing raw water main located on the site, thereby eliminating the cost of providing a new raw water main.

For the treatment systems, the current 500 gpm treatment system will be kept in service and will be augmented by the addition of four new horizontal pressure filters to provide a total filtration capacity of 1500 gpm. The four new filters will be housed in a 1500 SF addition to the existing filter building. Included in this addition will be a lime room, chlorine room, and room for new chemical feed systems for the 1500 gpm flow rate. The existing backwash recycle system will be upgraded and utilized in the design, and the new backwash tank will be incorporated into this system, thereby eliminating the need for a new recycle backwash system.

Mr. Dittenhofer stated there is not a lot of cost savings in the electrical and control systems. The existing generator needs to be replaced, and transformers need to be changed to accommodate power to the well house and the building addition. A new electrical service will be required for the well No. 8 site. Mr. Knoeller asked if elevations work against us in the event solar panels are installed. Mr. Dittenhofer stated it does not. Mr. Knoeller pointed out the revised proposal is 1 million dollars less than the first proposal.

**Repainting of Tank No. 2** – Mr. Dittenhofer stated this project is on going.

**Maintenance Garage Re-Roofing** – Mr. Dittenhofer stated this project is complete.

**Cleaning & Televising Contract No. 6 & Flow Assessment** – Mr. Dittenhofer stated this project is 80% complete.

**Municipal Lane Pump Station Upgrades & Standby non-Clog Pumps** – Mr. Dittenhofer stated this project is complete. Discharge piping at FRB1, FRB2 and Otto Lane is to start after September 6<sup>th</sup>.

#### ATTORNEY'S REPORT

**Resolution 2010-64 – Purchase of Block 1835, Lot 46 and Portion of Block 1837, Lot 4 from Township of Lacey** – On recommendation by the Authority's attorney, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2010-64, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing the Purchase of Block 1835, Lot 46 and a portion of Block 1837, Lot 4, and all improvements thereon, from the Township of Lacey in Accordance with the Provisions of N.J.S.A. 40A:12-13 ET SEQ.* Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed. Mr. Knoeller asked the Finance Committee to determine where the Authority would obtain the funds to purchase this property. Mr. Holman stated the budget may need to be amended.

**Union Negotiations** – Mr. Dasti stated this issue would be discussed in closed session.

#### AUDITOR'S REPORT

**Accountant's Status Report – Month Ended July 31, 2010** – Mr. Holman stated user charges on the sewer and water side of the budget resulted in a favorable variance for the month. Delinquency charges, connection fees and interest income had a favorable variance. Mr. Holman pointed out the Authority's estimated usage exceeded actual usage; therefore, the Authority can anticipate a credit from the OCUA through the month of July. Mr. Holman stated the budget must be amended for the purchase of garage facility property. He pointed out since the State is understaffed, it may take three to four months before obtaining approval of the amended budget.

Mr. Knoeller requested Mr. Holman provide the board with a report of up-to-date total bonded indebtedness for what is owed on water and sewer for the next meeting.

#### CORRESPONDENCE

**Claire Callahan, Grebe Court** – Requesting relief of utility bill, due to a water leak. Since the September 2010 bill is normal compared to the usual consumption patterns, the Board could not justify an adjustment to the account.

**Jeremy Hall, Clairmore Avenue** – Requesting relief of utility bill, due to leak in sprinkler system. 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 \$97.00 (25,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**Michael Castelletto, Mallard 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. Miklosey to grant a credit adjustment on the sewer charges in the amount of \$763.58 (112,000 gallons), and waive penalties of \$11.45. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Majestic Investment, LLC** – Requesting relief of utility bill, due to water leak. Since this is a new customer, there is no consumption history to review at this time. The Board will review future quarterly consumption to determine what kind of credit, if any, can be granted for sewer service for the period of March to June 2010.

**Mr. & Mrs. Caruso, Hawaii Drive** – Requesting relief of utility bill, due to water hose being left on. 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 sanitary sewer charges in the amount of \$164.14 (37,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Mr. Knoeller pointed out it is the policy of the commission to provide relief to the consumer whenever possible.

**OLD  
BUSINESS**

There was no old business to discuss.

**NEW  
BUSINESS**

Mr. Knoeller stated he is interested in the possibility of sharing expenses with other MUAs. Mr. Knoeller asked Mr. Woolf to meet with the executive directors from other MUAs to discuss this proposal. Mr. Dasti has already reached out to Stafford Township. Mr. Knoeller asked the Board to think about ideas on sharing costs to save money.

**PUBLIC BUSINESS/  
COMMENT**

**Lorraine Sansone, Laurel Boulevard** – Ms. Sansone asked what is the projected cost for wells No. 7 & 8. Mr. Knoeller stated approximately 3 million dollars. Ms. Sansone asked what are the plans for well No. 1. Mr. Woolf stated wells No. 1 & 2 would be taken out of service when wells No. 7 & 8 go into service. Ms. Sansone asked how the Authority is projecting to pay for the new water treatment plant. Mr. Knoeller stated it would be a combination of cash and bonding. Ms. Sansone asked if the total project would cost approximately 5.5 million dollars. Mr. Knoeller stated yes.

Ms. Sansone asked if the Authority received any funding from the New Jersey Environmental Infrastructure Trust Fund. Mr. Knoeller stated the Authority applied for it but it was denied. He pointed out the Authority would apply every time there is an opportunity to do so.

Ms. Sansone asked how did the Authority pay for the new wells. Mr. Knoeller stated it was paid in cash. Mr. Masciale pointed out the Authority has the ratepayer in mind. To avoid raising rates we lean towards cash. Ms. Sansone pointed out in last year's legal advertisement for a public hearing, it stated those wells were to be paid for by funding from the NJDEP Environmental Trust Fund and that was not the case. Mr. Woolf stated the Authority applied for funding but did not get accepted. Mr. Knoeller stated how projects would be funded will not be included in future advertisements.

Ms. Sansone asked about the LMUA purchasing the administration building from the Township. Mr. Knoeller stated at one time the Township asked the Authority to consider purchasing the administration building, as well as another piece of property.

The Authority offered the Township an amount and they rejected it - they felt it was too low of an offer. Ms. Sansone asked how much the offer was. Mr. Dasti stated that information can not be disclosed.

In reference to the cost estimate for Wells 7 & 8, Ms. Sansone asked if the solar panels were excluded. Mr. Dittenhofer stated the cost estimate did not include the cost for the solar panels. Mr. Knoeller stated if it is cost effective he would lobby to have the solar panels included. Ms. Sansone stated there may be grants available considering the Authority is looking at using alternative energy. Mr. Knoeller stated there is presently no funding available for commercial or public use at this time.

In regards to sharing costs with others, Mr. Miklosey suggested using Township employees to help out with the new treatment plant under Casey's direction. Mr. Knoeller stated there are a lot of issues in doing that, considering there are union contracts involved. Mr. Reid stated it is a good idea, but Casey is shorthanded at this time.

#### **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 \$1,160,303.44 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 Mr. Masciale to adopt the above resolution. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes, but abstains on South Jersey Auto Supply; Masciale-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 and potential litigation.

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: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

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. Miklosey and seconded by Mr. Masciale to relieve the water service charges and user charges for 1 Camelot Court from January 2010 until the situation is corrected. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 7:45 p.m.

Respectfully submitted,

Michele Kennedy  
Secretary