

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
APRIL 6, 2011**

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, April 6, 2011 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 Ralph Lanuto. Also present were Chris Koutsouris, attorney; Alan Dittenhofer, engineer; Frank Holman, auditor; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director. Jack Nosti arrived during the meeting as reflected in these minutes.

**“SUNSHINE
LAW”
STATEMENT**

Mr. Knoeller read the following statement.

Notice of this 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.

**APPROVAL
OF MINUTES**

Regular Meeting of March 2, 2011 - A motion was made by Mr. Masciale and seconded by Mr. Kennedy to approve the minutes of the Regular Meeting of March 2, 2011. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Closed Session Meeting of March 2, 2011 - A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to approve the minutes of the Closed Session Meeting of March 2, 2011. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending February 28, 2011 - Mr. Woolf summarized the cash balances for period ending February 28, 2011 as follows: Total cash balance for the unrestricted accounts were \$3,319,234.45, with earnings of \$2,106.96. Total cash balance for the restricted accounts held by the trustee were \$5,316,415.62, with earnings of \$5,665.44. Current period interest on the restricted and unrestricted accounts was \$7,772.40. Year-to-date earnings on all interest bearing accounts were \$14,962.89.

Resolution 2011-32 – Appointing Derek Verge as Utility Worker - A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution No. 2011-32, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Derek Verge to the position of Utility Worker*. Mr. Knoeller pointed out Mr. Verge replaces an employee who recently resigned from same position. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-33 – Appointing Brown Advisory as Financial Advisor/Investment Manger - A motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution No. 2011-33, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Brown Advisory as Authority Financial Advisor/Investment Manager*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-34 – Open Escrow Account with Hudson City Savings Bank – Mr. Woolf stated an account needs to be established for the Toll Brother’s reimbursement fund. Therefore, on recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-34, Open Escrow Account with Hudson City Savings Bank*. Roll call vote: Kennedy-Yes; Miklosey-Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed. Mr. Knoeller stated this issue would be discussed further in closed session.

BUSINESS REPORT

March Meter Reads – Ms. Barrett reported 4,383 meters were read in March for Cycles 1, 4 and 9. Two hundred sixty work orders were cut to obtain manual reads not obtained during regular meter read routes. Three reads were questioned for high usage. Two customers were contacted by phone and one customer was sent a letter.

April Billing – Ms. Barrett reported utility bills were mailed/hand delivered on April 4th in the amount of \$925,646.41. Penalties were assessed on 3,289 past due accounts (all cycles) in the amount of \$17,616.22 for a total billing in April of \$943,262.63.

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

Mr. Kennedy asked what is the issue that LMUA personnel have to go back out to obtain manual reads. Mr. Woolf stated when they download the reads from the computer; at times the radio signal is not picked up.

ENGINEER’S REPORT

Construction of Test Well No. 7 and Well No. 8 – Mr. Dittenhofer stated a punch list was sent to the contractor and all items are complete. A final walk through is scheduled for April 12.

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated the design of the upgrades is ongoing. The water allocation permit application was submitted to NJDEP for review.

Repainting of Tank No. 2 – Mr. Dittenhofer stated this project is ongoing.

Cleaning and Televising Contract No. 6 & Flow Assessment – Mr. Dittenhofer stated repairs have been made to the mains. The laterals are still pending.

Municipal Lane Pump Station Upgrades - Mr. Dittenhofer stated the project is scheduled to be complete by April 15th.

ATTORNEY'S REPORT

Biele Jewelers – Mr. Knoeller recommended this issue be discussed in closed session.

Water Plant # 2 Upgrades – Mr. Knoeller recommended this issue be discussed in closed session.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended February 28, 2011 – Mr. Holman reported revenue, expenses, and user charges had a positive variance on both water and sewer for the month.

Mr. Nosti arrived at the meeting.

Mr. Holman stated the audit report for year ending December 31, 2010 has been completed and was reviewed with the finance committee. Overall, it was a positive report. There were two minor recommendations that were reviewed with the finance committee, which had to do with the Authority's general ledger.

Mr. Masciale stated he is concerned that the OCUA money to be refunded to the Authority is reflected in the audit report, and it may not come to fruition. Mr. Knoeller stated there are on-going talks with the OCUA to come to a satisfactory conclusion.

Resolution 2011-31 – Accept and Approve Audit – Year Ending December 31, 2010
On recommendation by the Authority's auditor, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-31, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Accepting and Approving the Audit Ending Fiscal Year December 31, 2010*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

CORRESPONDENCE

Francis Falcicchio, Beach Blvd. – Requesting relief of utility bill, due to broken pipe. Since the water from the broken pipe 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 \$1,035.03 (159,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Adriane Valentini, Sandy Hook Dr. – Requesting removal of late fee, due to claim of not receiving utility bill. A motion was made by Mr. Kennedy and seconded by Mr.

Masciale to waive the late charge in the amount of \$8.61. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**OLD
BUSINESS**

Professional Services Agreement – Birdsall Services Group - Authority Conflict Engineer - Chairman Knoeller and Secretary Kennedy executed the Professional Services Agreement between the Lacey Municipal Utilities Authority and Birdsall Services Group for the period from February 3, 2011 to February 1, 2012.

**NEW
BUSINESS**

Toll Brothers – Mr. Knoeller stated the attorney for Toll Brothers has indicated the Authority has a fiduciary responsibility to change the connection fee structure annually based on a State mandated formula. The attorney also indicated that the Authority's auditor is obligated to review the formula every year. Mr. Holman stated it is his understanding it is not required annually. It has, however, been done upon request by the Authority. He stated Mr. Dasti describes it as an "amount not to exceed" calculation. It would be up to the Board on whether they want to increase up to that amount. Mr. Knoeller asked Mr. Koutsouris to have Mr. Dasti research this issue and provide the Board with a report for the next meeting. Mr. Holman pointed out the Authority is not charging in excess of what is permitted by State regulations.

**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 \$798,619.90 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; Masciale-Yes; Juliano-Yes, but abstains on South Jersey Auto Supply; Kennedy-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: Unanimously approved.

Separate minutes were kept on the above closed session.

**RE-OPEN
MEETING**

A motion was made by Mr. Masciale and seconded by Mr. Kennedy to reopen the meeting. Roll call vote: Unanimously approved.

A motion was made by Mr. Masciale and seconded by Mr. Miklosey to reimburse Toll Brothers \$350.00 per new connection effective the date of construction certification. These funds would be taken out of the general operating account semi-annually, and Toll Brothers would be exempt from that new connection fee as per the Developer's Agreement. Roll call vote: Masciale-Yes; Miklosey-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

