

**LACEY MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING  
JANUARY 5, 2011**

Pledge of Allegiance

Ralph Lanuto was sworn in as full-time alternate member of the Lacey Municipal Utilities Authority.

Mr. Knoeller welcomed Mark Dykoff as the Lacey MUA/Township Committee Liaison. Mr. Dykoff informed the Board that Sean Sharkey, who was present for the meeting, would act as an alternate liaison in his absence.

**ROLL CALL**

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, January 5, 2011 and was called to order at 7:00 p.m. by James Knoeller, Chairman. Other members present Michael Masciale, Richard Kennedy, Arthur Miklosey, Nick Juliano, Jack Nosti and Ralph Lanuto. Also present were Jerry Dasti, attorney; Alan Dittenhofer, engineer; Felipe Contreras, engineer; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director. Mark Dykoff, Lacey MUA/Township Committee Liaison also attended the meeting.

**“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**

**Rate Hearing & Regular Meeting of December 1, 2010** - A motion was made by Mr. Masciale and seconded by Mr. Kennedy to approve the minutes of the Rate Hearing & Regular Meeting of December 1, 2010. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller- Yes. Motion passed.

**EXECUTIVE  
DIRECTOR’S  
REPORT**

**Cash Balance Report - Period Ending November 30, 2010** - Mr. Woolf summarized the cash balances for period ending November 30, 2010 as follows: Total cash balance for the unrestricted accounts were \$3,504,044.37, with earnings of \$2,553.79. Total cash balance for the restricted accounts held by the trustee were \$7,601,200.88, with earnings of \$28,265.11. Current period interest on the restricted and unrestricted accounts was \$30,818.90. Year-to-date earnings on all interest bearing accounts were \$173,186.44.

Mr. Knoeller pointed out interest earnings comparison is down approximately \$170,000 compared to last year.

**Resolution 2011-01 – Authorize Utilization of Fair and Open Process for Receipt of Proposals for Professional Services** - On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution 2011-01, 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; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**Resolution 2011-05 – Letter of No Interest – Minor Site Plan – Loyal Order of Moose Lodge 1907 – Block 421, Lot 4** – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2011-05, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Letter of No Interest – Minor Site Plan, Loyal Order of Moose Lodge 1907, Block 421, Lot 4*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**RBT Pools and Spa** – Mr. Woolf stated he received a letter from Mr. Trangone, of RBT Pools & Spa, requesting authorization to open a retail store for the sale of pre-packaged swimming pool and spa balance chemicals, as well as service parts. Additionally, Mr. Trangone indicates there will be no bulk packing of chemicals done on site. Mr. Knoeller pointed out this area is in the wellhead protection area. Therefore, he recommends this request be conditionally approved, contingent upon there being no bulk packing or storing of chemicals in the backyard or parking lot. He stated the Authority's staff would spot-check this establishment periodically to make sure they are in compliance. Mr. Dasti suggested the Township's zoning officer be copied on correspondence sent to Mr. Trangone outlining the contingencies of approval. On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Kennedy to conditionally approve the opening of the pool store, contingent upon there being no bulk packing or storing of chemicals in the backyard or parking lot. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

## **BUSINESS REPORT**

**December Meter Reads** – Ms. Barrett reported 4,378 meters were read in December for Cycles 1, 4 and 9. One hundred fifty eight work orders were cut to obtain manual reads not obtained during regular meter read routes.

**January Billing** – Ms. Barrett reported utility bills will be mailed/hand delivered on January 6<sup>th</sup> in the amount of \$1,107,249.28. Penalties were assessed on 3,400 past due accounts (all cycles) in the amount of \$22,550.59 for a total billing in January of \$1,129,799.87.

**Customer Service** – Ms. Barrett reported forty new customer welcome letters were mailed in November, and thirteen responses were received in December. Twenty-one final reads with equipment inspections were performed in December with one violation.

During a service call, LMUA personnel discovered a cross connection between the city water system and a private well.

**Tax Lien Sale** – Ms. Barrett reported 1,738 lien notices were mailed on December 7th. Outstanding charges for these past due accounts totaled \$1,179,754.96. These notices were sent out three weeks earlier than usual due to the Tax Collector's plans to hold the lien sale earlier. The Lacey MUA office started collecting the Township's preparation of sale charges on December 15th.

## ENGINEER'S REPORT

**Resolution No. 2011-02 – Preliminary Sewer and Water Approval – Aphrodite Plaza II – George Mackres** – Mr. Dittenhofer reported his office received the application and plans for preliminary sewer and water approval for Aphrodite Plaza II, Block 225, Lots 18 & 19. The applicant is proposing to construct a 2,702 SF one-story commercial building at the intersection of Lakeside Drive South and Route 9, in the southwest corner. The applicant proposes to connect to the existing water main in Lakeside Drive South and install a water service for the building. The applicant also proposes to connect to the existing sanitary sewer main along Route 9 and install a lateral for the building. On recommendation by the Authority's engineer, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2011-02, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Preliminary Sewer and Water Approval, Aphrodite Plaza II, George Mackres, Block 225, Lots 18 & 19*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**Resolution 2011-04 – Preliminary and Tentative Sewer and Water Approval – Shaan Realty, LLC – Proposed Gas Station Improvements** – Mr. Dittenhofer reported his office received the application and plans for preliminary and tentative sewer and water approval for Shaan Realty, LLC, Proposed Gas Station Improvements, Block 1851, Lots 8.01 & 8.02. The applicant is proposing to construct a 2,000 SF convenience store and 1,500 SF Dunkin Donuts donut shop at the intersection of Lacey Road and Newark Avenue, in the northeast corner. An existing 5,070 SF auto repair center and 3,000 SF car wash building are located on site. The applicant proposes to subdivide the property into two lots and demolish the existing car wash building. The existing auto repair center will remain. On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2011-04, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Preliminary and Tentative Sewer and Water Approval, Shaan Realty, LLC, Proposed Gas Station Improvements*. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Resolution 2011-03 – Performance Guarantee Release and Final Payment – Municipal Lane Pump Station Upgrades and Standby Non-Clog Submersible Pumps, Bid No. 1 – D & D Utility Contractors** – On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-03, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Performance Guarantee Release and Final Payment, Municipal Lane Pump Station Upgrades and Standby Non-Clog Submersible Pumps, Bid No. 1, D & D Utility Contractors, Inc.* 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 drilling of Well No. 8 is complete, and the aquifer test was performed successfully. His office is preparing the hydro geologic reports for the water allocation permit.

**Water Treatment Plant No. 1 Upgrades** – Mr. Dittenhofer stated the design phase of Water Treatment Plant No. 1 upgrades is ongoing. The BWA permit application and BSDW information is being finalized, and plan specifications are 65% complete. Mr. Knoeller asked the status of completion for this project. Mr. Dittenhofer stated water allocation approval should be given within 6-8 months. Approval of construction plans from the Bureau of Safe Drinking Water would be approximately 4-6 months. He pointed out the plant cannot operate without water allocation approval. He anticipates completion of the project to be November or December 2011.

In reference to the additional solar panels, Mr. Knoeller asked Mr. Dittenhofer to research a sub-leasing program versus an actual purchase. He would like an overall cost benefit comparison to install the system. He also asked that the construction timetable of the overall project be reviewed again to include the solar panels. He would like to know what impact the solar panels would have to construction costs, and how many kilowatts would be needed to run the project.

Mr. Knoeller asked if there would be an increase in water allocation. Mr. Dittenhofer stated no increase is being requested. Mr. Masciale asked if the December 2011 completion date includes the installation of pipes. Mr. Dittenhofer stated yes, adding that once all testing and final state permitting is done he is looking at a completion date of March 2012.

Mr. Knoeller discussed the six 2500 gallon tanks that are running at 73 degree Fahrenheit in temperature. He stated these tanks could be used as an internal heating system, and the Authority is looking to capitalize on it for free heat for the building and possible air conditioning.

**Repainting of Tank No. 2** – Mr. Dittenhofer stated the contractor would complete the additional work and punch list items when weather permits.

**Cleaning & Televising Contract No. 6 & Flow Assessment** – Mr. Dittenhofer stated additional work is being done in the Forked River Beach area.

**Municipal Lane Pump Station Upgrades & Standby Non-Clog Pumps** – Mr. Dittenhofer stated this project is 95% complete.

## ATTORNEY'S REPORT

**2010 Bond Issues** – Mr. Dasti stated his office has been consulting with the Authority's financial advisor, bond counsel and executive director concerning the issues raised by the potential bankruptcy filing of the bond surety company. His office is continuing to review the bond documents in order to determine the best course of action for the

Authority. Mr. Knoeller asked what bonds does this affect. Mr. Woolf stated all, with the exception of the 2007 series bonds.

**Beach Boulevard Damage** – Mr. Dasti stated he has attempted to schedule a meeting with the contractor; however, the contractor has not responded to his prior letter.

**Lacey Township Maintenance Garage** – Mr. Dasti stated the title insurance policy for the maintenance garage has been forwarded to the Authority. Mr. Knoeller asked Mr. Woolf to contact Mr. Parker to discuss the possibility of putting a stone access road out to Headquarters Lane instead of paving it.

**Rate Hearing for 2011** – Mr. Dasti stated the rate hearing has been concluded.

**Union Negotiations** – Mr. Dasti stated a meeting has been scheduled with the PERC for February 1<sup>st</sup> at 11:00. Mr. Knoeller asked Mr. Woolf to schedule a meeting with the personnel committee to prepare for this meeting at the end of January.

#### **AUDITOR'S REPORT**

The auditor was not present to discuss the report.

#### **CORRESPONDENCE**

**Mr. & Mrs. Gieza, Center Street** – Requesting relief of utility bill, due to broken sprinkler line under ground. 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 \$219.47 (38,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**Donna Fantacone, Windsor Street** – Requesting waiver of late fees, due to claim of not receiving utility bill due to incorrect address. Based on the information presented, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to waive the late charges in the amount of \$18.86. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Eugene Roberts, Dutch Court** – Mr. Kennedy suggested no action be taken since a cross connection existed between city water and the private well. Mr. Woolf inspected this and a letter has been sent to the customer.

**Vanessa McAllister, Orlando Drive** – Requesting relief of utility bill, due to leak under home. After consideration of this request, 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 \$943.16 (137,000 gallons) for the September 2010 bill, and \$329.12 (53,000 gallons) for the December 2010 bill. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

#### **OLD BUSINESS**

There was no old business to discuss.

**NEW  
BUSINESS**

Mr. Knoeller reported the Authority has been installing fire hydrant marker flags so they can be identified during heavy snow conditions. He asked that the Authority's water supervisor patrol the town to identify what hydrants are snowed in. Mr. Woolf reported these flags will be left on year round, and will be installed on every hydrant. Mr. Woolf suggested customers "adopt" a fire hydrant so when it snows they could clear it themselves. Mr. Nosti agreed. Mr. Dykoff asked Mr. Woolf to provide him with information regarding the fire hydrants so he can report on it at the next Township meeting.

Mr. Knoeller reported the Authority should see a credit of approximately \$220,000 from the OCUA for sewer charges. He bases this credit on the Authority being proactive in spending money over the last five years in fixing and patching leaks, grouting the leaks, cleaning and televising, etc. Mr. Knoeller asked Mr. Woolf to contact Brick's executive director to discuss the possibility of "bartering" services with them, particularly their video cameras. Mr. Woolf pointed out that they have inquired to provide laboratory services for the Authority.

Mr. Dykoff asked Mr. Knoeller to provide Mr. Sharkey with a brief explanation of the OCUA and the sewer charges the Authority pays to them. Mr. Knoeller explained the Authority gets charged by the gallon from the OCUA. It is not necessarily raw sewage pumped from homes; it is also caused by flooding of roads. The Authority has been video taping everything to determine where there are leaks and have them fixed. A lot of money is spent doing this, but the Authority is starting to reap the benefits. Mr. Knoeller suggested Mr. Sharkey meet with Mr. Woolf so he can provide him with an overlay of what the Authority does specifically.

**PUBLIC BUSINESS/  
COMMENT**

**Regina Discenza, Sunset Beach** - Mrs. Discenza asked if anyone from the public attended last month's rate hearing. Mr. Knoeller stated no one from the public attended.

Mrs. Discenza asked how much would the Authority save by using Brick's televising equipment. Mr. Knoeller stated it is not known at this time.

Mrs. Discenza asked if sand or salt was used at the Home Depot site during the snow. Mr. Knoeller stated he inspected the lot and sand was used. There was some calcite in one area; however, it was on the list of permitted uses.

Mrs. Discenza asked what is the depth of Wells 7 & 8, and what are the gallons per minute (gpm). Mr. Contreras stated the wells are 1610 and 1600 feet respectively, and will pump at 1500 gpm. Mrs. Discenza asked if Wells 3, 4 & 5 would be closed by the end of the year. Mr. Woolf stated there are no plans to close Wells 3, 4 & 5. Wells 1 & 2 would be closed after Wells 7 & 8 go into service. Mr. Discenza asked about the Brookdale wells. Mr. Knoeller stated they would not be used. Mr. Contreras added the intention is to remove those wells from the water allocation permit.

**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 \$529,328.50 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. Kennedy and seconded by Mr. Miklosey to adopt the above resolution. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes, but abstains on South Jersey Auto Supply; Masciale-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