

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

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, July 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, Jack Nosti and Ralph Lanuto. Also present were Alan Dittenhofer, engineer; Felipe Contreras, engineer; Jerry Conaty, auditor; Chris Connors, attorney; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director.

**“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 June 1, 2011 - A motion was made by Mr. Masciale and seconded by Mr. Kennedy to approve the minutes of the Regular Meeting of June 1, 2011. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Abstain. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending May 31, 2011 - Mr. Woolf summarized the cash balances for period ending May 31, 2011 as follows: Total cash balance for the unrestricted accounts were \$3,066,426.15, with earnings of \$2,222.31. Total cash balance for the restricted accounts held by the trustee were \$6,602,109.51, with earnings of \$27,563.90. Current period interest on the restricted and unrestricted accounts was \$29,786.21. Year-to-date earnings on all interest bearing accounts were \$62,036.09.

Resolution 2011-48 – Appointing Anthony DiFabio as Utility Worker – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Juliano to adopt *Resolution 2011-48, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Anthony DiFabio to the position of Utility Worker*. This appointment is subject to a 90-day introductory period. Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-46 – Award Contract for Purchase of Auto Parts and Accessories – South Jersey Auto Parts and Down’s Ford, Inc. – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-46, Resolution of the Lacey Municipal Utilities Authority of the Township of Lacey, County of Ocean, State of New Jersey, Awarding a Contract for the Purchase of Auto Parts and Accessories to South Jersey Auto Parts and Down’s Ford, Inc.* Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Abstain; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-49 – Letter of No Interest – Johnson Screens – Weatherford International – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2011-49, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Letter of No Interest – Amended Final Major Site Plan, Johnson Screens – Weatherford International, Block 1002, Lot 1.15.* Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Forked River Volunteer Fire Department – Mr. Woolf reported the Forked River Volunteer Fire Department is requesting the use of a fire hydrant and 2½ inch connection for their annual circus. A motion was made by Mr. Kennedy and seconded by Mr. Miklosey authorizing the Forked River Volunteer Fire Department the use of a fire hydrant and 2-½ inch connection for their annual circus. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

PR Lacey, LLC – Home Depot Facility - Mr. Woolf reported PR Lacey, LLC is requesting to reduce the monitoring frequency of the ground water sampling associated with the monitoring wells at the Home Depot site to annually. He stated these wells have been sampled on a quarterly basis since June 2006. Mr. Knoeller recommended the monitoring frequency be reduced to semi-annually until further notice. A motion was made by Mr. Kennedy and seconded by Mr. Masciale authorizing the monitoring frequency of the ground water sampling at the Home Depot site be reduced to semi-annually. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

BUSINESS REPORT

June Meter Reads – Ms. Barrett reported 4,391 meters were read in June for Cycles 1, 4 & 9. One hundred thirty-three work orders were cut to obtain manual reads not obtained during regular meter read routes. Two reads were questioned for high usage and the customers were sent letters.

July Billing – Ms. Barrett reported utility bills were mailed/hand delivered today in the amount of \$1,025,177.21. Penalties were assessed on 3,268 past due accounts (all cycles) in the amount of \$19,282.81 for a total billing in June of \$1,044,460.02.

Customer Service – Ms. Barrett reported forty-three new customer welcome letters were mailed in May, and fifteen responses were received in June. Forty-five reads with equipment inspections were performed in June with no violations.

Code Violation – 16 Bobwhite Court – Ms. Barrett reported on June 13th during a service call, LMUA personnel discovered plumbing configuration bypassing the water

meter. This violation has been abated. Mr. Knoeller asked if a penalty has been established with this type of violation. Ms. Barrett stated there is a \$50.00 penalty. Mr. Nosti stated the fine should be higher than \$50.00. Mr. Knoeller stated the issue of increasing the fine would be addressed at the next rate hearing.

ENGINEER'S REPORT

Resolution 2011-47 – Final Sewer and Water Approval – Cimarron Woods – G.S. Realty Corporation - Mr. Dittenhofer reported his office received the application and plans for final sewer and water approval for Cimarron Woods (formerly Emerald Acres Estates) G.S. Realty Corporation, 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 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. On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-47, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Final Sewer and Water Approval, Cimarron Woods (Formerly Emerald Acres Estates) G.S. Realty Corporation, 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 2011-45 – Maintenance Bond Release – Lacey Retail Center – Phase I & II – Preit Services - On recommendation by the Authority's engineer, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2011-45, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Maintenance Bond Release, Lacey Retail Center – Phase I & II, Preit Services, Block 409, Lots 29, 35.01, 36 & 37*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated design of the upgrades is ongoing. BSDW Permit Application was submitted to NJDEP, and his office is currently working with JCP&L for running power into the Well No. 8 site. He anticipates advertising for bids at the end of August.

Repainting of Tank No. 2 – Mr. Dittenhofer stated the interior of tank has been cleaned. Some exterior punch list items remain.

Cleaning and Televising Contract No. 6 & Flow Assessment – Mr. Dittenhofer stated the contractor has completed approximately 75% of the punch list.

Raw Water Line from Well No. 8 to WTP No. 1 – Mr. Dittenhofer stated this project is complete.

**ATTORNEY'S
REPORT**

Crown Castle Lease Extension - Mr. Connors recommends no action be taken at this time until a report and recommendation is generated from Declan O'Scanlon.

Toll Brothers – Mr. Connors recommends this issue be discussed when Mr. Dasti is present.

**AUDITOR'S
REPORT**

Accountant's Status Report – Month Ended May 31, 2011 – Mr. Conaty reported revenue and expenditures had a favorable variance for sewer. User charges resulted in an unfavorable variance for water. Mr. Masciale asked if there is a reason for the downfall on the user charges on water. Mr. Woolf stated user charges are closely being monitored. The downfall can be due to the combination of the economy and wet weather.

Mr. Knoeller reported the Authority received a 1.5% increase from the OCUA. The Board will have to determine how this increase is going to be incorporated.

Mr. Knoeller reported he met with Mr. Parker to discuss the OCUA credit issue. Mr. Parker informed him the OCUA will be installing new magnetic meters, which will test the accuracy of the old meters. Once the new meters are installed, the OCUA would provide the LMUA with the data indicating the flow through.

CORRESPONDENCE

Eugene Koch, South River Drive – Requesting relief of utility bill, due to water leak. Mr. Kennedy recommended waiting until the August billing before making an adjustment to account.

Barry Bendar, Bay Avenue – Requesting relief of utility bill, due to broken water 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 sanitary sewer charges in the amount of \$963.41 (167,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

James Otte, Emerald Court – Requesting relief of utility bill, due to 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 \$1,464.61 (231,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Mr. & Mrs. Sepan, Polaris Court – Requesting removal of late charges, due to wrong LMUA account number on their check. A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to waive the late charges in the amount of \$13.18. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. & Mrs. Treloar, Lakeview Court - Requesting pool fill credit. A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to grant a one-time adjustment to the account. A credit adjustment in the amount of \$40.89 (15,000 gallons) will be applied to account. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**OLD
BUSINESS**

Form of Contract - Raw Water Main at Water Treatment Plant No. 1 – Garrison Enterprises, Inc. – Chairman Knoeller and Secretary Kennedy executed the Form of Contract between the Lacey Municipal Utilities Authority and Garrison Enterprises, Inc. for Raw Water Main at Water Treatment Plant No. 1

**NEW
BUSINESS**

Mr. Woolf reported a tentative finance committee meeting is scheduled for July 12th to discuss financing of water treatment plant upgrades for plant No. 1. He stated Mr. Dasti and Mr. Holman would be in attendance. Mr. Dugan of Brown Advisory will be joined in by a conference call.

**PUBLIC BUSINESS/
COMMENT**

Regina Discenza, Sunrise Beach - Mrs. Discenza asked if the Board was aware the management company for Home Depot has changed. Mr. Knoeller stated the Authority has been informed. He pointed out they are still bound by the Operations Agreement.

In regards to the monitoring frequency at the Home Depot site, Mrs. Discenza stated she would have preferred they monitor the site three times a year instead of bi-annually.

In regards to the meter-tampering penalty, Mrs. Discenza stated Brick MUA's meter-tampering fee is \$500.00. Mr. Knoeller stated this issue would be revisited at a future rate-hearing meeting.

Mrs. Discenza asked why was the maintenance bond released for Lacey Retail Center, since there are two additional buildings to be built. Mr. Dittenhofer stated all bonded improvements have been completed. Ms. Barrett stated they would have to apply to the Authority for approvals when beginning construction. Mr. Knoeller pointed out there would be separate bonding for those buildings.

**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 \$257,820.61 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.

ADJOURNMENT There being no further business to discuss, the meeting was adjourned at 7:25 p.m.

Respectfully submitted,

Michele Kennedy
Secretary