

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
JUNE 1, 2011**

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, June 1, 2011 and was called to order at 7:00 p.m. by Michael Masciale, Vice Chairman. Other members present were Richard Kennedy, Arthur Miklosey, Nick Juliano, and Ralph Lanuto. Also present were Alan Dittenhofer, engineer; Felipe Contreras, engineer; Frank Holman, auditor; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director. Mark Dykoff, Lacey MUA/Township Committee Liaison also attended the meeting. Chris Connors, attorney, arrived during the meeting as reflected in these minutes.

**“SUNSHINE
LAW”
STATEMENT**

Mr. Masciale 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 May 4, 2011 - A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to approve the minutes of the Regular Meeting of May 4, 2011. Roll call vote: Miklosey-Yes; Kennedy-Yes; Lanuto-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Closed Session Meeting of May 4, 2011 - A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to approve the minutes of the Closed Session Meeting of May 4, 2011. Roll call vote: Miklosey-Yes; Kennedy-Yes; Lanuto-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending April 30, 2011 - Mr. Woolf summarized the cash balances for period ending April 30, 2011 as follows: Total cash balance for the unrestricted accounts were \$3,102,990.64, with earnings of \$2,141.56. Total cash balance for the restricted accounts held by the trustee were \$6,228,726.30, with earnings of \$5,945.98. Current period interest on the restricted and unrestricted accounts was \$8,087.54. Year-to-date earnings on all interest bearing accounts were \$32,249.88.

LMUA Energy Expense Analysis - Mr. Woolf discussed the report he prepared regarding energy expense analysis between Liberty Power Supply and JCP&L. Cost savings by using Liberty Power versus JCP&L during winter months would be 33.86%, and summer months would be 23.99%. He pointed out these rates are strictly on power supply - not distribution. Mr. Masciale asked how much would the Authority save by staying with Liberty Power. Mr. Woolf stated approximately \$50,000.00. Based on this savings he recommends staying with Liberty Power.

Mr. Connors arrived during the energy expense analysis discussion.

OCUA – Mr. Woolf stated the Ocean County Utilities Authority informed the Authority they would be increasing their 2012 sewage disposal rates by 1.5%. This will mean an increase of approximately \$50,000 to the Authority. This increase will be considered should a rate hearing be held.

Brick Utilities - Mr. Miklosey referred to the report submitted by Brick Utilities regarding bid pricing for sewer collection system cleaning, closed circuit television inspection and grouting. He questioned their pricing of \$77,000 for televising 4" sewer laterals, whereas the other bidder quoted \$7,000. Mr. Masciale stated considering the difference in pricing, unless there is an error with the figures submitted; there should be no reason to change contractors. The Authority is satisfied with the work by the present contractor.

BUSINESS REPORT

May Meter Reads – Ms. Barrett reported 3,796 meters were read in May for Cycles 3 and 9. Fifty-seven work orders were cut to obtain manual reads not obtained during regular meter read routes. Three reads were questioned for high usage. One customer was contacted by phone and two customers were sent letters.

June Billing – Ms. Barrett reported utility bills were mailed/hand delivered on June 3rd in the amount of \$664,825.05. Penalties were assessed on 3,211 past due accounts (all cycles) in the amount of \$19,811.39 for a total billing in June of \$684,636.44.

Customer Service – Ms. Barrett reported twenty-seven new customer welcome letters were mailed in April, and seven responses were received in May. Sixty-four final reads with equipment inspections were performed in May with no violations.

MUAA Dinner/Meeting – Ms. Barrett reported the MUAA dinner/meeting will be held Thursday, June 9th.

ENGINEER'S REPORT

Resolution 2011-42 – Preliminary Sewer and Water Approval – Rich Karl Minor Site Plan - Mr. Dittenhofer reported his office received the application and plans for preliminary sewer and water approval for Rich Karl Minor Site Plan, Block 315, Lots 1 & 2. The applicant is proposing to construct building renovations and minor site improvements to the parking lot of an existing 4,367 SF two- story masonry building located at the intersection of Route 9 and Jones Road, in the northeast corner. The masonry building is located on Lot 1 and an existing two-story dwelling to remain is located on Lot 2. The applicant proposes to service the buildings using the existing

water and sewer services provided for these buildings. On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2011-42, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Preliminary Sewer and Water Approval, Rich Karl Minor Site Plan, Block 315, Lots 1 & 2*. Roll call vote: Miklosey-Yes; Kennedy-Yes; Lanuto-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Resolution 2011-43 – Preliminary Sewer and Water Approval – EES Office Building – Block 315, Lots 3 & 16 - Mr. Dittenhofer reported his office received the application and plans for preliminary sewer and water approval for EES Office Building, Block 315, Lots 3 & 16. The applicant is proposing to construct a 749 SF building addition to an existing 1-1/2 story dwelling on the east side of Route 9, north of Jones Road, and convert the residential dwelling into a commercial office site. The applicant proposes to service the building using the existing water and sewer service provided for these buildings. On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2011-43, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Preliminary Sewer and Water Approval, EES Office Building, Block 315, Lots 3 & 16*. Roll call vote: Miklosey-Yes; Kennedy-Yes; Lanuto-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Resolution 2011-44 – Performance Guarantee Release and Final Payment – Approve Change Order No. 3 – Construction of Test Well No. 7 and Well No. 8 – A.C. Schultes, Inc. – Mr. Dittenhofer stated change order No. 3 represents final as-built quantity adjustments for a net contract decrease of (\$11,500.00). On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Juliano to adopt *Resolution 2011-44, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Performance Guarantee Release and Final Payment, Approve Change Order No. 3, Construction of Test Well No. 7 and Well No. 8, A.C. Schultes, Inc.* Roll call vote: Kennedy-Yes; Juliano-Yes; Lanuto-Yes; Miklosey-Yes; Masciale-Yes. Motion passed.

Change Order No. 2 – Municipal Lane Pump Station Upgrades & Standby Non-Clog Submersible Pumps, Bid No. 2 – A.C. Schultes, Inc. – On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to approve Change Order No. 2 representing installation of two (2) test plugs, flange adapters and standby at the FRB-1 pump station for a net contract increase of \$2,906.00. Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated the electrical design is almost completed. Additional information for the Water Allocation Permit application was submitted.

Repainting of Tank No. 2 – Mr. Dittenhofer stated the interior of tank has been cleaned, and some exterior punch list items remains.

Cleaning and Televising Contract No. 6 & Flow Assessment – Mr. Dittenhofer stated the contractor will be doing repair work regarding additional infiltration. This work is scheduled to begin June 13th.

Raw Water Line from Well No. 8 to WTP No. 1 – Mr. Dittenhofer stated the preconstruction meeting is scheduled for next week.

ATTORNEY'S REPORT

Crown Castle Lease Extension - Mr. Connors stated Mr. Dasti is expecting a report from the Authority's consultant regarding this issue.

OCUA Fee/Credit – Mr. Masciale asked for an update regarding the OCUA fee/credit issue. Mr. Woolf stated it is his understanding the OCUA is to replace the magnetic flow meter. As of this date, they have not. Mr. Miklosey and Mr. Masciale asked about the status of a meeting that was to be held between the Chairman of the OCUA and Chairman Knoeller. Mr. Woolf stated he does not have any information regarding this meeting.

AUDITOR'S REPORT

Mr. Holman stated he is working with Mr. Dasti regarding the connection fee/rate structure issue.

Accountant's Status Report – Month Ended April 30, 2011 – Mr. Holman reported revenue, expenses, delinquency, and user charges resulted in a favorable variance for sewer. User charges and interest income resulted in an unfavorable variance for water. In regards to the OCUA credit, the Authority could anticipate a credit of \$232,690 through the month of April.

CORRESPONDENCE

Lois Olsen, Williams Avenue – Requesting waiver of late charge, due to claim of making payment on time. A motion was made by Mr. Kennedy and seconded by Mr. Juliano to waive the late charge in the amount of \$2.07. Roll call vote: Kennedy-Yes; Juliano-Yes; Lanuto-Yes; Miklosey-Yes; Masciale-Yes. Motion passed.

Sue Ellen Prag (Wexler Estate) – Requesting relief of utility bill, due to broken water pipe. Since the water from the leak 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 \$123.01 (44,000 gallons) and waiver of the June penalties of \$6.54. Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Carl Schmidt, Wave Drive – Requesting waiver of water turn-off service charge. Since water curb stops are only to be opened or closed by Authority personnel, with the exception of a licensed plumber to test his work to make emergency repairs, a waiver of the service charge could not be supported.

William Wehrendt, Drew Avenue – Requesting waiver of late charge, due to claim of making payment on time. A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to waive the late charge in the amount of \$8.49. Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Kathy Burgoyne, Sinclair Avenue – Requesting pool fill credit due to faulty pool fill meter. Since the measuring chamber in the first pool-fill meter was not operating, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to grant a sewer credit of 3,000 gallons. Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Mr. & Mrs. Cortese, Emerald Court - Requesting relief of utility bill, due to backyard hose burst. Based on the documentation submitted, 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 \$447.04 (146,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

**OLD
BUSINESS**

Resolution 2011-41 – Award Contract for Installation of Raw Water Main at Water Treatment Plant No. 1 - Secretary Kennedy executed Resolution 2011-41 memorializing action taken May 4, 2011 awarding contract to Garrison Enterprise, Inc. for Installation of Raw Water Main at Water Treatment Plant No. 1.

**NEW
BUSINESS**

There was no new business to discuss.

**PUBLIC BUSINESS/
COMMENT**

Mr. Dittenhofer informed the Board that Mr. Contreras passed his Professional Engineer's test.

**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 \$1,054,443.27 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. Kennedy to adopt the above resolution. Roll call vote: Miklosey-Yes; Kennedy-Yes; Lanuto-Yes; Juliano-Yes, but abstains on South Jersey Auto Supply; Masciale-Yes. Motion passed.

Walter Janssen – Mr. Masciale asked for an update regarding the termination of Mr. Janssen. Mr. Woolf stated this matter is closed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:30 p.m.

Respectfully submitted,

Michele Kennedy
Secretary

