

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
NOVEMBER 2, 2011**

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, November 2, 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 Alan Dittenhofer, engineer; engineer; Rodney Haines, 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 as reflected in the 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 October 5, 2011 - A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Regular Meeting of October 5, 2011. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Abstain. Motion passed.

Closed Session Meeting of October 5, 2011 - A motion was made by Mr. Miklosey and seconded by Mr. Masciale to approve the minutes of the Closed Session Meeting of October 5, 2011. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Abstain. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending September 30, 2011 - Mr. Woolf summarized the cash balances for period ending September 30, 2011 as follows: Total cash balance for the unrestricted accounts were \$2,085,083.74, with earnings of \$1,318.39. Total cash balance for the restricted accounts held by the trustee were \$7,152,158.49, with earnings of \$5,778.96. Current period interest on the restricted and unrestricted accounts was \$7,097.35. Year-to-date earnings on all interest bearing accounts were \$89,057.28.

Resolution 2011-69 – Setting Amount of Delinquency for Certification of Lien to Tax Collector – Mr. Knoeller explained the Authority will be establishing a threshold of \$100.00 for each account will not be sent to lien. On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt

Resolution 2011-69, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Setting Amount of Delinquency for Certification of Lien to Tax Collector. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Chris Connors arrived during this portion of the meeting.

Resolution 2011-72 – Authorizing Transfer of Funds – 2011 Sewer and Water Budget – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-72, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Transfer of Funds, 2011 Sewer and Water Budget.* Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

2012 Water and Sewer Rate Hearing – The executive director requested authorization to advertise and schedule a water and sewer rate hearing to examine the Authority’s water and sewer rates and fees for 2012. A motion was made by Mr. Kennedy and seconded by Mr. Juliano to advertise and schedule a rate hearing to be held on December 7, 2011 at 7:00 p.m. Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

2012 Water Treatment Chemicals - Mr. Woolf requested authorization to advertise and receive bids for Water Treatment Chemicals 2012. A motion was made by Mr. Kennedy and seconded by Mr. Masciale authorizing the Authority to advertise and receive bids for Water Treatment Chemicals 2012. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Cafeteria Benefit Plan Waivers – Mr. Woolf stated changes have been made to the Cafeteria Benefit Plan, which offers an incentive to employees to waive health benefit coverage. He explained employees hired after May 2010 will now be offered a cash incentive of 25% of the cost of coverage, as opposed to the 50% that was originally implemented. Employees enrolled in the plan prior to May 2010 are entitled to the 50% of the cost of coverage. A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to accept the waiver of coverage amounts as follows:

	Single	Member & Spouse	Family	Parent & Child
Waiver amount after 5/21/2010	\$1,900.00	\$3,800.00	\$4,800.00	\$2,800.00
Waiver amount before 5/21/2010	\$2,100.00	\$4,700.00	\$5,500.00	\$3,100.00

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

**BUSINESS
REPORT**

October Meter Reads – Ms. Barrett reported 3,844 meters were read in October for Cycles 2 & 9. Thirty-two work orders were cut to obtain manual reads not obtained during regular meter read routes. Sixteen reads were questioned because of high usage. Six customers were contacted by phone and ten customers were sent letters.

November Billing – Ms. Barrett reported utility bills were mailed/hand delivered November 3rd in the amount of \$843,818.97. Penalties were assessed on 3,512 past due accounts (all cycles) in the amount of \$28,144.91 for a total billing in November of \$871,963.88.

Customer Service – Ms. Barrett reported twenty-nine new customer welcome letters were mailed in September, and four responses were received in October. Thirty-one final reads with equipment inspections were performed in October with one violation. During a service call, it was discovered that a damaged meter was removed and a jumper installed. The serviceman replaced the broken bottom plate and reinstalled the meter.

Lienable Accounts - Ms. Barrett reported the initial list was sent to the tax collector on November 1st of accounts that have past due balances that were due prior to October 1st. There were a total of 2,295 accounts in the amount of \$1,572,537.00 that were reported. This amount excluded anyone under the \$100.00 threshold. The certified list will be sent to the tax collector the second week of December. The Authority will begin accepting the tax collector's preparation of sale charges on December 15th. Also, in accordance with recent NJ supreme Court decisions, and as directed by the Tax Collector, partial payments will be limited in that partial payments must consist of full quarter charges including interest and prep costs. Ms. Barrett stated LMUA personnel would assist the Township during lien collection.

ENGINEER'S REPORT

Resolution 2011-70 – Accept Maintenance Bond – Release Performance Bond and Final Payment – Change Order No. 1 – Raw Water Main at Water Treatment Plant No. 1 – Garrison Enterprises, Inc. - On recommendation by the Authority's engineer, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2011-70, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Acceptance of Maintenance Bond, Release of Performance Bond and Final Payment, Change Order No. 1, Raw Water Main at Water Treatment Plant No. 1, Garrison Enterprises, Inc.* Mr. Dittenhofer pointed out the Change Order is a net contract decrease of \$5,000.00. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-71 – Maintenance Guarantee Release – Closeout Developer Escrow Account – Lacey Wal-Mart - On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2011-71, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Maintenance Guarantee Release, Closeout Developer Escrow Account, Lacey Wal-Mart, Block 629, Lots 1-5 & 10-12.* Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated the public comment period for the Water Allocation Permit closed on October 20th. He does not believe the Bureau received any public comments; therefore, he does not anticipate a hearing. They are working on the final recommendations for the allocation permit, which he expects to receive by the end of the year.

In regards to the permit to construct, all required information has been submitted to the State. He anticipates the permit to be granted by December.

Cleaning and Televising Contract No. 6 & Flow Assessment – Mr. Dittenhofer stated the contractor has completed 99% of the punch list.

Cleaning and Televising Contract No. 7 - Mr. Dittenhofer stated copy of plans and specifications were sent to the Authority for review.

Installation of a Hydraulic Grinder at L-2 Pump Station – Mr. Dittenhofer stated copy of plans and specifications were sent to the Authority for review.

ATTORNEY'S REPORT

Toll Brothers Connection Fee Issues – Mr. Knoeller recommended this issue be discussed in closed session.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended September 30, 2011 – Mr. Haines reported sewer and water are operating at a favorable variance. However, user charges for the month are unfavorable for both sewer and water. He pointed out year-to-date sewer user charges has a favorable variance for the year.

In regards to financing for the water treatment plant expansion, Mr. Haines stated Ocean First Bank amended their terms. They went along with a 20-year payout, however, they countered with a 4.45% rate for entire 10-year term rather than a ceiling on the rate for second five years. They are also requiring a debt service reserve fund for the water. Mr. Knoeller recommended negotiating out the reserve fund. He would rather have a straight 10-year note or 20-year amortization. He asked the auditor and/or attorney to discuss the reserve fund issue further with Ocean First Bank.

CORRESPONDENCE

Audrey Warren, Trenton Avenue – Requesting waiver of returned check fee, due to check error. Due to the circumstances, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to waive the returned check fee of \$20.00. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Victor Wisnewski, Clearview Street – Requesting waiver of emergency call-out charge. Since the service call was done during after-hours, the Board could not waive the emergency service charge.

Beth Crisafulli, Oak Hollow Lane – Requesting relief of utility bill, due to watering lawn without irrigation meter. After careful consideration, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to grant a one-time credit adjustment on the sewer charges in the amount of \$473.57 (81,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Alfonso Freda, Conifer Drive - Requesting relief of utility bill and payment plan, due to water leak. Since the water that leaked 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 \$419.25 (73,000 gallons) as well as authorizing a payment plan to pay remaining balance of the bill. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Jean Mergner, Wainwright Street - Requesting relief of utility bill, due to water leak. Since the water that leaked 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 \$46.32 (8,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Edward Ranuska, Veronica Court - Requesting sewer credit for the October 2010 bill. After review of consumption usage for the past year, a motion was made by Mr. Kennedy and seconded by Mr. Juliano to grant a credit adjustment on the sewer charges in the amount of \$98.58 (31,000 gallons). Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Marie Tagliavore, Chelsea Street - Requesting relief of utility bill, due to unexplained high water usage. Based upon all available information, a waiver of a portion of the charges could not be supported. Customer will be advised of option of having meter removed and tested.

Ann Marcus, Orchard Street – Requesting removal of late fees. The transaction history dating back to 2002, reveals there is always some type of balance due causing penalty charges to accrue every month. Therefore, a waiver of the penalty charges assessed could not be supported.

**OLD
BUSINESS**

LMUA Health Insurance – Mr. Woolf stated he met with the Township Administrator to discuss the Township’s recent change in health care providers. The option of the LMUA joining the Township’s health care plan was discussed, and was deemed not permissible. He contacted a representative of Horizon Blue Cross/Blue Shield for a proposal to insure the LMUA. The representative indicated the LMUA was too small of a group to realize a savings from leaving the NJ State Health Benefits Program. He stated typically a group of 50 or more employees would be required to realize a savings from leaving the NJSHBP.

**NEW
BUSINESS**

Crown Castle - Mr. Knoeller stated Crown Castle has not been paying their tax bills on time. They wait until the end of the year to pay them, and the Authority has been paying them to avoid penalties with the Township. Their agreement with the Authority is they are required to pay their tax bills within a few days of receiving them. He asked Mr. Connors/Mr. Dasti to inform Crown Castle they are in violation of the lease agreement, and will be charged interest if they do not pay the tax bills when required.

United States Environmental Protection Agency – Mr. Knoeller stated he reviewed the inspection report from the United States Environmental Protection Agency. A portion of the reported entitled “Residential Complaints/Collection System Insurance” indicates “Lacey Township has no written standard operating procedures for responding to residential complaints”. He asked if this is an accurate statement. Mr. Woolf stated when the Authority receives a customer complaint; a customer service representative issues a work order identifying that complaint. It is then forwarded to a LMUA serviceman who responds and completes the work order. Mr. Knoeller asked Mr. Woolf to encompass that process into a written standard operating procedure for the Authority.

Connection Fees - Mr. Knoeller referenced Mr. Holman's report of last month regarding the maximum chargeable connection fees. According to the formula, the sewer connection fee is lower than what the Authority is presently charging, due in part by the \$370.00 physical connection fee the Authority no longer provides. On the water side, he stated it is important to review the maximum allowable connection fee, since revenues have been depreciating. Mr. Masciale stated he would like to know what other towns are charging for connection fees. Mr. Woolf stated he would provide the Board with an analysis on this issue.

**PUBLIC BUSINESS/
COMMENT**

Regina Discenza, Sunset Boulevard – Mrs. Discenza asked what time would the rate hearing be held on December 7th. Mr. Woolf stated 7:00 p.m.

Mrs. Discenza asked who would be supplied personnel during lien collection. Mr. Knoeller stated the Authority would be providing assistance to the Township during lien collection.

Mrs. Discenza asked if the permit that is due from the Bureau of Safe Drinking Water on Wells 7 & 8. Mr. Knoeller stated yes.

Mrs. Discenza asked what is the issue that will be discussed during closed session regarding Toll Brothers. Mr. Knoeller stated it pertains to a possible litigation matter. Toll Brothers are disputing connection fee calculations.

Mrs. Discenza asked what is Crown Castle. Mr. Knoeller stated Crown Castle is a cell tower operator who leases off the Authority's tower.

Mrs. Discenza asked if there would be a decrease in the sewer rates. Mr. Knoeller stated a decrease in sewer connection fee charges, not user charges, would be discussed at the rate hearing. Water connection fee charges will most likely increase.

Mrs. Discenza asked how did the recent storm affect the sewer system on Beach Boulevard. Mr. Knoeller stated it is not 100% resolved, however, remediation and repairs are being conducted on a monthly basis.

**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 \$189,398.05 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 matter.
2. The general nature of this closed session concerns potential litigation.
3. It is anticipated at this time that the above-stated matters will be made public once this matter has been resolved.
4. This resolution shall take effect immediately.

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

ADJOURNMENT

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

Respectfully submitted,

Michele Kennedy
Secretary

