

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

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, October 5, 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, Jack Nosti and Ralph Lanuto. Also present were Alan Dittenhofer, engineer; Felipe Contreras, engineer; Frank Holman, auditor; Jerry Conaty, 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. 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 September 7, 2011 - A motion was made by Mr. Miklosey and seconded by Mr. Juliano to approve the minutes of the Regular Meeting of September 7, 2011. Roll call vote: Miklosey-Yes; Juliano-Yes; Nosti-Yes; Kennedy-Yes; Masciale-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending August 30, 2011 - Mr. Woolf summarized the cash balances for period ending August 30, 2011 as follows: Total cash balance for the unrestricted accounts were \$2,816,726.97, with earnings of \$1,777.83. Total cash balance for the restricted accounts held by the trustee were \$6,785,890.44, with earnings of \$4,612.42. Current period interest on the restricted and unrestricted accounts was \$6,390.25. Year-to-date earnings on all interest bearing accounts were \$81,959.93.

Resolution 2011-66 – Letter of No Interest – Preliminary and Final Site Plan - McDonald's Corporation – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-66, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Letter of No Interest, Preliminary and Final Site Plan, McDonald's Corporation, Block 409.01, Lot 5.02*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Resolution 2011-62 – New Jersey Sustainable Energy Joint Meeting – Mr. Woolf explained the New Jersey Joint Insurance Fund has grouped all their memberships into one pool for energy. This will save the Authority money on energy. On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Juliano to adopt *Resolution 2011-62, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, New Jersey Sustainable Energy Joint Meeting*. Roll call vote: Kennedy-Yes; Juliano-Yes; Nosti-Yes; Miklosey-Yes; Masciale-Yes. Motion passed.

Chris Connors arrived during this portion of the meeting.

Cleaning and Televising Sanitary Sewer System – Mr. Woolf requested authorization to advertise and receive bids for Cleaning and Televising Sanitary Sewer System. A motion was made by Mr. Miklosey and seconded by Mr. Kennedy authorizing the Authority to advertise and receive bids for Cleaning and Televising Sanitary Sewer System. Roll call vote: Miklosey-Yes; Kennedy-Yes; Nosti-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Installation of Screenings Comminutor at L2 Sewer Pump Station – Mr. Woolf requested authorization to advertise and receive bids for Installation of Screenings Comminutor at L2 Sewer Pump Station. He explained debris, particularly cleaning wipes such as Clorox, Lysol, etc., have been clogging the sewer pumps and causing maintenance problems. This device will shred the material into fine pieces to prevent clogging of the pumps. The cost of the device is \$50,000.00. A motion was made by Mr. Kennedy and seconded by Mr. Miklosey authorizing the Authority to advertise and receive bids for Installation of Screenings Comminutor at L2 Pump Station. Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Mr. Miklosey stated since it costs the State millions of dollars in remedying the situation, he asked Mr. Connors if it is possible proposing a law banning cleaning wipes in the State. Mr. Connors stated he would research this possibility.

Resolution 2011-67 – Approve 2012 Water Budget – On recommendation by the executive director a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-77, approving the 2012 water budget*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Resolution 2011-68 – Approve 2012 Sewer Budget – On recommendation by the executive director a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2011-68, approving the 2012 sewer budget*. Roll call vote: Miklosey-Yes; Kennedy-Yes; Nosti-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

BUSINESS REPORT

September Meter Reads – Ms. Barrett reported 4393 meters were read in September for Cycles 1, 4 & 9. One hundred forty three work orders were cut to obtain manual reads not obtained during regular meter read routes. Two reads were questioned because of high usage and were notified by phone.

October Billing – Ms. Barrett reported utility bills were mailed/hand delivered October 5th in the amount of \$1,190,213.39. Penalties were assessed on 3,497 past due accounts (all cycles) in the amount of \$25,253.90 for a total billing in October of \$1,215,467.29.

Customer Service – Ms. Barrett reported twenty-two new customer welcome letters were mailed in August, and twelve responses were received in September. Twenty-five final reads with equipment inspections were performed in September with no violations.

ENGINEER'S REPORT

Resolution 2011-63 – Accept Maintenance Bond – Release Performance Bond and Final Payment – Municipal Lane Pump Station Upgrades – A.C. Schultes, Inc. - On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Juliano to adopt *Resolution 2011-63, 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, Municipal Lane Pump Station Upgrades & Standby Non-Clog Submersible Pumps, A.C. Schultes, Inc.* Roll call vote: Miklosey-Yes; Juliano-Yes; Nosti-Yes; Kennedy-Yes; Masciale-Yes. Motion passed.

Resolution 2011-64 – Accept Maintenance Bond – Release Performance Bond and Final Payment – Tank No. 2 Repainting – Beckett Enterprises, Inc. - On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Juliano to adopt *Resolution 2011-64, 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, Tank No. 2 Repainting, Beckett Enterprises, Inc.* Roll call vote: Miklosey-Yes; Juliano-Yes; Nosti-Yes; Kennedy-Yes; Masciale-Yes. Motion passed.

Resolution 2011-65 – Maintenance Bond Release – South Branch Marina Water Main Extension – DSC Construction Company, Inc. - On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-65, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Maintenance Bond Release, South Branch Marina Water Main Extension, DSC Construction Company, Inc.* Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated the Bureau of Water Allocation completed the review and sent out notices for comments. The comment period is open to the public until October 20th. He expects to receive the actual permit to construct the water plant by the end of October.

The cost estimate for the utilization of Well No. 7 as an alternate source at 500 gpm is estimated to be \$256,750.00.

A letter of intent has been prepared for the application of the NJEIT (infrastructure financing program). However, funds would not be available until 2012. Additionally, his office prepared a production justification to be able to use USDA funding.

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

**ATTORNEY'S
REPORT**

Tank #2 Repainting Project - Mr. Connors sated his office reviewed and approved the closeout documents for this project.

Toll Brothers Connection Fee Issues – Mr. Connors stated as of this date, his office has not received any response from representatives of Toll Brothers concerning their issue involving connection fees

**AUDITOR'S
REPORT**

Accountant's Status Report – Month Ended August 31, 2011 – Mr. Holman reported sewer and water continue to be operating at a favorable variance. User charges are unfavorable for both water and sewer. He stated at the issuance of this report, the OCUA fee analysis was not available.

Mr. Holman stated he completed the maximum chargeable connection fee formula. According to the statute, the maximum allowable water connection fee is \$6,471. The present fee is \$5,300. The maximum allowable sewer connection fee is \$1,553. The present fee is \$1750.

Mr. Holman pointed out the reason why the sewer fee is more than what is allowed is because the Authority was charging a physical connection fee of approximately \$300.00. The Authority no longer provides this service and recommends an adjustment be made at the next rate hearing.

In regards to the water connection fees, it has been three to four years since they were adjusted. Based on the formula, these fees can be increased. He explained the formula provides for new users to pick up a share of the debt service paid by present and prior users. Since the water service is heavily leveraged, a large amount of money was borrowed to put the water service in. Mr. Masciale asked Mr. Holman if he recommends charging \$6,471 for water connection fees. Mr. Holman stated yes; however, it is a decision to be made by the Board. Mr. Masciale asked Mr. Woolf to schedule a Finance Committee meeting to discuss this issue further.

Mr. Holman stated he would discuss the issue of financing from Ocean First Bank in closed session.

CORRESPONDENCE

Leland Madden, Constitution Drive – Requesting relief of utility bill, due to water leak. 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 \$478.93 (80,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Mr. Masciale stated Mr. Madden's request for relief of utility bill was denied at the last meeting. However, the request was also for relief of bill for filling pool and watering lawn without meters. Since the Authority has been granting credit to customers in this same regard, the request is granted. However, beginning January 1, 2012, he recommends no exclusions be granted to customers who fill pool or water lawn without the proper meters.

Mr. & Mrs. Muscillo, Lanoka Harbor – 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 \$31.01 (14,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

Robert Allan, Pershing Avenue – 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 sanitary sewer charges in the amount of \$102.89 (19,300 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Juliano-Yes; Masciale-Yes. Motion passed.

**OLD
BUSINESS**

There was no old business to address.

**NEW
BUSINESS**

Mr. Miklosey stated he is aware the Township will be saving money by opting out of the State Health Benefits program. He asked Mr. Dykoff's recommendation for the LMUA possibly doing the same. Mr. Dykoff stated the Authority must first obtain an evaluation on its claims history to determine if there would be a savings. There is a cost associated with the evaluation. He can recommend the insurance agent the Township is utilizing if interested. He stated the health insurance company the Township is utilizing is supplying them with the same coverage at a significant savings. He pointed out after the first year rates would increase; however, the rates will not increase as significantly as the State Health Benefit program. If the present carrier's rates are too high, the insurance agent would shop for a different carrier.

Mr. Miklosey asked Mr. Woolf to explore the possibility of utilizing another insurance carrier. Mr. Woolf stated an evaluation of the Authority's claims history was done a few years ago, and the result was the claims experience did not allow for any savings at that time. Mr. Dykoff pointed out that once you opt out of the State Health Benefits program you could rejoin at any time.

**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 \$208,349.89 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; Nosti-Yes; Juliano, Yes, but abstains on South Jersey Auto Supply; Masciale-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 contract negotiations.
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. 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 7:35 p.m.

Respectfully submitted,

Michele Kennedy
Secretary

