

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
SEPTEMBER 7, 2011**

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, September 7, 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 Felipe Contreras, engineer; Frank Holman, auditor; Jerry Conaty, auditor; Jerry Dasti, attorney; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director. Sean Sharkey, Lacey MUA/Township Committee Liaison, arrived during the meeting 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 August 3, 2011 - A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Regular Meeting of August 3, 2011. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending July 31, 2011 - Mr. Woolf summarized the cash balances for period ending July 31, 2011 as follows: Total cash balance for the unrestricted accounts were \$2,825,752.71, with earnings of \$1,566.19. Total cash balance for the restricted accounts held by the trustee were \$6,419,679.77, with earnings of \$5,330.25. Current period interest on the restricted and unrestricted accounts was \$6,896.44. Year-to-date earnings on all interest bearing accounts were \$75,569.68.

Resolution 2011-59 – Renewal of Membership in New Jersey Utility Authorities Joint Insurance Fund – On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Juliano to adopt *Resolution 2011-59, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Renewal of Membership in the New Jersey Utility Authorities Joint Insurance Fund*. Roll call vote: Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-60 – Transfer of Approvals – Chris Zimmerman to Al Amato – Hoyt Street, Patterson Avenue & Center Street Road Improvements – On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2011-60, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Transfer of Approvals, Chris Zimmerman to Al Amato, Hoyt Street, Patterson Avenue & Center Street Road Improvements, Blocks 1587 & 1589, Various Lots*. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Meter Tampering Code Violation – Mr. Woolf recommended a cost recovery fee of \$500.00 per violation for water meter tampering. He stated a Resolution would need to be adopted at the water and sewer rate hearing scheduled for December.

BUSINESS REPORT

August Meter Reads – Ms. Barrett reported 3,796 meters were read in August for Cycles 3 & 9. One hundred seven work orders were cut to obtain manual reads not obtained during regular meter read routes. Two reads were questioned because of high usage. One homeowner was notified by phone and one homeowner was sent a letter.

September Billing – Ms. Barrett reported utility bills were mailed/hand delivered September 2nd in the amount of \$777,468.63. Penalties were assessed on 3,446 past due accounts (all cycles) in the amount of \$23,411.06 for a total billing in September of \$800,879.69.

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

MUAA Dinner/Meeting – Ms. Barrett reported the MUAA dinner/meeting will be held September 8th. The speaker will be from the OCUA on disposable towels and rags in the sewer system.

ENGINEER'S REPORT

Resolution 2011-57 – Tentative Sewer and Water Approval – Rich Karl Minor Site Plan – Block 315, Lots 1 & 2 - Mr. Contreras reported his office received the application and plans for tentative 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. Masciale to adopt *Resolution 2011-57, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Tentative Sewer and Water Approval, Rich Karl Minor Site Plan, Block 315, Lots 1 & 2*. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-61 – Tentative Sewer and Water Approval – Chase Bank – Jerry Delaney – Block 1653, Lot 16 - Mr. Contreras reported his office received the application and plans for tentative sewer and water approval for Chase Bank, Jerry Delaney, Block 1653, Lot 16. The applicant is proposing to construct a 4,264 SF bank at the intersection of Lacey Road and Manchester Avenue, in the northeast corner. An existing building is located on the site. The applicant proposes to demolish the existing building on site and reuse the existing water and sewer services to service the new building. On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-61, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Tentative Sewer and Water Approval, Chase Bank – Jerry Delaney, Block 1653, Lot 16*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2011-58 – Final Water Approval – Hoyt Street & Patterson Avenue Road Improvements – Al Amato – Block 1589, Various Lots - Mr. Contreras reported his office received the application and plans for final water approval for Al Amato, Hoyt Street & Patterson Avenue Road Improvements, Block 1589, Various Lots. The applicant is proposing to construct a water main extension with services for ten (10) units along Hoyt Street and Patterson Avenue. The applicant proposes to connect to the existing water main located along Bayonne Avenue and extend 6" PVC water main to the intersection of Bayonne Avenue and Hoyt Street. The water main will then be extended west along Hoyt Street to the intersection of Hoyt Street and Patterson Avenue, and extended approximately 170-feet south along Patterson Avenue. On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2011-58, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Final Water Approval, Hoyt Street & Patterson Avenue Road Improvements, Block 1589, Various Lots, Al Amato*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Repainting of Tank No. 2 – Mr. Contreras stated this project is complete.

FRB-1 and Otto Lane Pump Station Upgrade – Mr. Contreras stated this project is complete.

Water Treatment Plant No. 1 Upgrades – Mr. Contreras stated the water allocation permit is under review. The BWS & WP permits are under review. Water allocation is now under the review of the New Jersey Geological Survey. We have submitted all information they have requested. Regarding the Safe Drinking Water permit additional information was requested. The main thing right now is the funding. We had a conversation with USDA. (United States Department of Agriculture fund) We have a limitation regarding the population of the town. This program is designed for a maximum of 10,000 people. We are going to meet with them and explain the system can't be designed for 10,000 people or less. Masciale – favorable funding. Contreras – yes it is for the USDA funds. It is a 40-year loan. The rates are market rates. Knoeller – what it would cost to hook up the two existing wells into theContreras – that is going to be around \$400,000. Not considering plus the electrical connection we need to bring down to well number 8, which is an additional \$76,000. Knoeller – at the next meeting you and Alan should have a detailed cost estimate as to what it would cost us to

put well #7 into service. How far away are we in getting the permit to use that water? Contreras – there is no answer. We are applying for permits to construct, once you construct then you go to the testing process then they give you a permit to operate. Contreras – the second option that we want to explore is NJAT they are out for letters of intent. The deadline is October 3rd. Right now we are going to send a letter saying that we are interested in the program. Knoeller – what is that program. Contreras – New Jersey Environment Infrastructure Trust – it is a 20-year loan with interest between 1 ¼ to 1 7/5 – depending on how the funding is. Knoeller – didn't we get turned down on that once before. Contreras – we got turned down on the test wells itself, but this is treatment. Knoeller – okay get the letter out. Let's explore every financial opportunity. Holman – I met with reps from Ocean First Bank they are conventional loan financing and they have an interest. Knoeller – no vehicle through Hudson City? Holman – not that I am aware of. Knoeller to Ed – call Hudson City Bank see if they can provide financing. Contreras – the money for the NJAT will be available this time next year. It would be a delay. Contreras – we should have the permits by December.

Sean Sharkey arrived during this portion of the meeting.

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

Mr. Knoeller asked when is the next time the Authority would be going out to bid for this project. Mr. Woolf stated this project would resume mid 2012. Mr. Knoeller stated when going out to bid, he asked Mr. Woolf to contact Brick MUA and ask them to bid on this project. He would like to compare Brick MUA prices with the last contract.

ATTORNEY'S REPORT

Crown Castle Lease Extension - Mr. Dasti stated a counteroffer was extended to Crown Castle in response to their request for an extension of the Lease involving the cell tower behind the DPW building. At this point it appears the counteroffer will not be responded to. Therefore, it appears that the request from Crown Castle to extend the Lease time period is no longer an issue.

Toll Brothers Connection Fee Issues – Mr. Dasti stated a meeting was held with representatives from Toll Brothers concerning the existing Reimbursement Agreement and the extent of the connection fees. Toll Brothers indicated they would follow-up with a letter to the Authority regarding this issue. He stressed the Authority cannot lessen connection fees for one and not for all. Toll Brothers did make a point regarding the physical cost to connect. Mr. Knoeller asked Mr. Holman to provide the Authority with a report/formula on sewer connection fee increases. Mr. Conaty stated figures would be provided to the Board for the next meeting.

Mr. Miklosey stated he was under the impression that Toll Brothers are waiting for additional information from the Authority. Mr. Dasti stated they are requesting information from the day the LMUA went into operation (1970s). The Authority does not have information dating back that far. All information on file has been provided to them.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended July 31, 2011 – Mr. Holman reported sewer and water are operating at a favorable variance. User charges and expenses are

favorable for both water and sewer. Connection fees are satisfactory. In regards to the OCUA credit, Mr. Holman reported the Authority could anticipate a credit of approximately \$364,000.00. Mr. Masciale asked for an update regarding this issue. Mr. Knoeller stated he left a message with the Chairman of the OCUA for an update.

Mr. Knoeller informed Mr. Sharkey the rate hearing on connection fees is for new construction only. He explained there is a State formula the Authority's auditor assesses, which allows a range of an increase that can be negotiated upon.

CORRESPONDENCE

Maureen Clancy, Hemlock Drive – Requesting waiver of late charges. A motion was made by Mr. Kennedy and seconded by Mr. Masciale to waive the late charges in the amount of \$2.54. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Linda Perkins, Olds Street – Requesting relief of utility bill, due to watering lawn without irrigation meter. Based upon the available information, a waiver of a portion of the charges could not be supported.

Barbara Manetti, Hidden Harbor Place – Requesting relief of utility bill, due to topping off swimming pool. Based upon the available information, a waiver of a portion of the charges could not be supported.

Lucille Longo, Montauk Drive – Requesting relief of utility bill, due to a hose 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 \$5.60 (5,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Leland Madden, Constitution Drive – Requesting relief of utility bill, due watering lawn without irrigation meter, and filling pool without pool fill meter. Based upon the available information, a waiver of a portion of the charges could not be supported.

Kelly Bowles, Maple Lane – Requesting relief of utility bill due to a broken water tank, and waiver of late charge. 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 sanitary sewer charges in the amount of \$220.21 (51,500 gallons), and waive the September penalties of \$9.74. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

OLD BUSINESS

There was no old business to address.

NEW BUSINESS

Mr. Knoeller asked about the temperature of the water in the 2nd well. Mr. Contreras stated it is 72 degrees.

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 \$1,048,601.24 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 7:30 p.m.

Respectfully submitted,

Michele Kennedy
Secretary