

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
APRIL 4, 2012**

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, April 4, 2012 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 Jerry Dasti, attorney; Alan Dittenhofer, engineer; Frank Holman and Jerry Conaty, auditors; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director. Mark Dykoff, Lacey MUA/Township Committee Liaison, also attended the meeting.

**“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 March 7, 2012 - A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Regular Meeting of March 7, 2012. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Closed Session Meeting of March 7, 2012 - A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to approve the minutes of the Closed Session Meeting of March 7, 2012. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending February 29, 2012 - Mr. Woolf summarized the cash balances for period ending February 29, 2012 as follows: Total cash balance for the unrestricted accounts were \$3,667,316.77, with earnings of \$1,349.24. Total cash balance for the restricted accounts held by the trustee were \$4,950,951.78, with earnings of \$1,478.07. Current period interest on the restricted and unrestricted accounts was \$2,827.31. Year-to-date earnings on all interest bearing accounts were \$6,102.27.

Water Treatment Plant Financing – Mr. Woolf reported a Finance Committee meeting was held to determine the amount of financing required to construct the Water Treatment Plant No. 1 expansion. The cost estimate for the project is \$2,950,000. He stated \$500,000 is available from budgeted water infrastructure funds, and \$500,000 is available for non-budgeted sewer general funds. The required financing to complete the project is 2 million dollars, which will be borrowed from Ocean First Bank.

Mr. Knoeller stated the mayor would also have to execute the commitment letter from Ocean First Bank. He stated the term of the loan is 20 years, which can be prepaid at any time with no penalty. Mr. Masciale pointed out the new plant will provide clean water, as well as the possibility of selling the water to neighboring towns.

Mr. Miklosey asked if any of the existing wells would be abandoned. Mr. Knoeller stated the wells would be kept in abeyance for emergency purposes. Mr. Woolf stated the Pheasant Run wells would be abandoned.

A motion was made by Mr. Masciale and seconded by Mr. Kennedy to authorize the execution of the Commitment for Financing with Ocean First Bank in the amount of \$2,000,000.00. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Safety Award - Mr. Woolf stated the Authority received a perfect score for complying with the New Jersey Utilities Authority Joint Insurance Fund for our Safety Program for 2011. He thanked Darren Coraggio for doing an outstanding job with the Safety Program.

Mr. Knoeller informed Mr. Dykoff the Authority had Public Officials Training from MEL/JIF, which reduces the Authority's liability insurance premium by \$250.00 for each public official that attends the training. Mr. Dykoff asked Mr. Woolf to provide him with information regarding this training.

Mr. Miklosey asked about the status of Brown Advisors. Mr. Woolf recommended this issue be discussed in closed session.

BUSINESS REPORT

March Meter Reads – Ms. Barrett reported 4,400 meters were read in March for Cycles 1, 4 and 9. Sixty-three work orders were cut to obtain manual reads not obtained during regular meter read routes. One read was questioned for high usage and a letter was sent.

April Billing – Ms. Barrett reported utility bills were mailed on April 4th in the amount of \$955,526.58. Penalties were assessed on 3,355 past due accounts (all cycles) in the amount of \$14,718.59 for a total billing in April of \$970,245.17.

Customer Service – Ms. Barrett reported twenty-nine new customer welcome letters were mailed in February, and six responses were received in March. Thirty final reads with equipment inspections were performed in March with one violation. During a final read inspection on March 7th, LMUA personnel discovered a sump pump connected to the sanitary sewer system. This code violation was abated and inspected on March 8th. The account was charged the \$500.00 violation fee. Mr. Dykoff stated he would make mention of the increase in fine at the next Township meeting.

**ENGINEER'S
REPORT**

Resolution 2012-28 – Amended Final Sewer and Water Approval – Shaan Realty, LLC – Proposed Gas Station Improvements - Mr. Dittenhofer reported his office received the amended application and plans for final sewer and water approval for Shaan Realty, LLC, Proposed Gas Station Improvements, Block 1851, Lots 8.01 & 8.02. The applicant is proposing to amend the original site plan for changes related to the traffic circulation and parking improvements on-site. The proposed changes will have no impact on the sewer and water utilities. On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution 2012-28, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Amended Final Sewer and Water Approval, Shaan Realty, LLC, Block 1851, Lots 8.01 & 8.02*. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated his office is waiting for the BSDW construction permit from the State. The Authority will receive bids for this project on May 16th. He anticipates breaking ground sometime in July.

Cleaning and Televising Contract No. 6 & Flow Assessment – Mr. Dittenhofer stated one lateral is still pending.

Cleaning and Televising Contract No. 7 - Mr. Dittenhofer stated this project is to start on April 9th.

Installation of Hydraulic Grinder at L-2 Pump Station – Mr. Dittenhofer stated this project is complete.

Mr. Miklosey recommended the Authority publicize the potential problems of disposing cleaning wipes, etc. into the sewer system. Mr. Woolf and Mr. Knoeller stated the Authority would put together a “stuffer” to be included with the utility bills informing customers of this issue. Mr. Dykoff asked Mr. Woolf to provide him with information on this issue to be announced at a Township meeting.

**ATTORNEY'S
REPORT**

Ocean First Bank Bond Closing – Mr. Dasti stated the application to the New Jersey Local Finance Board has been submitted. A hearing is scheduled for April 11th.

OCUA Issues – Mr. Dasti stated a meeting was held with representatives from the OCUA. They requested the Authority wait until June 2012 so they can obtain a better history of readings from the sewer meters.

Toll Brothers Connection Fee – Mr. Dasti stated he has communicated with the attorney for Toll Brothers concerning its request for reimbursement of funds. He has not received a response as of this date.

Crown Castle – Mr. Knoeller asked if Crown Castle sublets its' cell tower to other customers. Mr. Dasti stated they do. They pay the LMUA \$30,000 a year for rent, and

collects approximately the same amount from its' tenants. Mr. Knoeller asked how much time is left on the lease. Mr. Dasti stated five or six years.

Mr. Knoeller stated he is aware that Crown Castle is offering the owners of cell towers in the Toms River/Brick area a substantial amount of money to either enhance their cell towers or buy them outright. Mr. Dasti stated there may be a possibility that Crown Castle will extend an offer to the LMUA as it gets closer to the end of its lease.

Mr. Knoeller suggested the possibility of putting another cell tower up. Mr. Dasti recommended the site where the new well is. Mr. Knoeller recommended an exploratory committee be established to explore this further. Mr. Dasti suggested the Authority reach out to Declan O'Scanlon, who has been used in the past as a consultant. Mr. Knoeller asked Mr. Dasti to contact them regarding this issue.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended February 29, 2012 – Mr. Holman reported revenues had an unfavorable variance on both water and sewer. The Authority continues to accrue credit with OCUA. Mr. Knoeller stated the amount of money due to the Authority from the OCUA is currently being negotiated. He pointed out the OCUA agreed to a reduction in the overall usage rate from 835 million gallons to 735 million gallons, which amounts to a credit of approximately \$400,000.

Mr. Holman stated the audit report for year ending December 31, 2011 has been completed, and was reviewed with the finance committee. Overall, it is a positive report and came under budget for the end of the year. There were no recommendations. The fixed asset issue and general ledger has been corrected from last year.

Resolution 2012-27 – Accept and Approve Audit – Year Ending December 31, 2011
On recommendation by the Authority's auditor, a motion was made by Mr. Masciale and seconded by Mr. Kennedy to adopt *Resolution 2012-27, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Accepting and Approving the Audit Ending Fiscal Year December 31, 2011*. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

CORRESPONDENCE

Margaret Melchionne, Commodore Drive - Requesting relief of utility bill, due to leak in crawl space. 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 \$12.48 (11,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Alicia Duane, Buena Vista Road – Requesting waiver of late fee, due to claim of mailing payment on time. After consideration of this request, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to waive the late charges in the amount of \$8.58. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

John Pinterbone, Longwood Drive – Requesting relief of utility bill, due to unexplained high water usage. Based upon the available information, a waiver of a portion of the charges could not be supported. A motion was made by Mr. Kennedy and seconded by Mr. Masciale to grant additional time to pay the March 2012 bill. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Deborah Sachs, Skiff Way Drive – Requesting relief of utility bill, due to toilet and hot water leak. Sewer credits are granted based on the customers' consumption history in the house they are residing in. Since there is not enough consumption history when a leak wasn't present to review at this time, the Board will review the request for consideration of an adjustment after the May and August quarters.

**OLD
BUSINESS**

Professional Services Agreement – Remington, Vernick & Vena Engineers – Authority Engineer – Chairman Knoeller and Secretary Kennedy executed the Professional Services Agreement between the Lacey Municipal Utilities Authority and Dasti, Murphy, McGuckin, Ulaky, Cherkos & Connors for the period from February 2, 2012 to February 6, 2013.

Form of Contract – D & D Trenchless Solutions, Inc. – Cleaning & Televising Sanitary Sewer Contract No. 7 – Chairman Knoeller and Secretary Kennedy executed the Form of Contract between the Lacey Municipal Utilities Authority and D & D Trenchless Solutions, Inc.

**NEW
BUSINESS**

There was no new business to discuss.

**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 \$314,852.06 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. Kennedy and seconded by Mr. Miklosey to adopt the above resolution. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes, but abstains on South Jersey Auto Supply; Masciale-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 personnel matters.
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. Masciale and seconded by Mr. Miklosey 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

