

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
OCTOBER 3, 2012**

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, October 3, 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 Chris Connors, attorney; Alan Dittenhofer, engineer; Jerry Conaty, auditor; 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**

Closed Session Meeting of September 5, 2012 - A motion was made by Mr. Masciale and seconded by Mr. Kennedy to approve the minutes of the Closed Session Meeting of September 5, 2012. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Regular Meeting of September 5, 2012 - A motion was made by Mr. Miklosey and seconded by Mr. Juliano to approve the minutes of the Regular Meeting of September 5, 2012. Roll call vote: Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending August 31, 2012 - Mr. Woolf summarized the cash balances for period ending August 31, 2012 as follows: Total cash balance for the unrestricted accounts were \$3,576,351.21, with earnings of \$1,019.86. Total cash balance for the restricted accounts held by the trustee were \$8,623,644.52, with earnings of \$1,358.58. Current period interest on the restricted and unrestricted accounts was \$2,378.44. Year-to-date earnings on all interest bearing accounts were \$43,965.27.

Sewage Pump Repair and Maintenance – Mr. Woolf requested authorization to advertise and receive bids for Sewage Pump Repair and Maintenance for 2013. A motion was made by Mr. Kennedy and seconded by Mr. Miklosey authorizing the executive director to advertise and receive bids for Sewage Pump Repair and Maintenance. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Proposed 2013 Sewer and Water Budgets - Mr. Woolf stated the Finance Committee discussed and reviewed the 2013 sewer and water budgets in detail. He prepared and submitted the proposed budgets for the Commissioners review.

Mr. Woolf stated the Authority is unable to rely on rate stabilization funds. Water revenues are down and there is not much rate stabilization funds on the water side to support the budget. He recommends the Board consider a water only rate increase in accordance with the five-year plan. He reported the sewer department is in good financial shape, due to relief on the sewerage disposal charges from the OCUA of approximately \$300,000.00.

Mr. Masciale wanted to clarify that the \$180,000 in the water rate stabilization fund is based on anticipated sales and is not money that is really there. Mr. Conaty stated presently the water does not have any funds in the rate stabilization fund. Monies are expected to come in by the end of the year, which will be put into that fund. He pointed out that money could be borrowed from the sewer side to the water side if necessary. Mr. Knoeller stated it is a safe anticipated number.

Mr. Knoeller thanked the Finance Committee and administrative staff for their hard work in developing the proposed budgets.

A motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2012-55, Approving the 2013 Water Budget*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

A motion was made by Mr. Miklosey and seconded by Mr. Juliano to adopt *Resolution 2012-56, Approving the 2013 Sewer Budget*. Roll call vote: Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes; Motion passed.

BUSINESS REPORT

Records Disposal – Ms. Barrett requested authorization from the Board to submit to New Jersey State Division of Archives and Records Management for disposal of financial files from 1984 – 1996; payroll files from 1981 – 1992; obsolete computer software from 1992. A motion was made by Mr. Kennedy and seconded by Mr. Juliano authorizing submittal to the State to dispose of financial files, payroll files, and obsolete computer software dating from 1981 – 1996. Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

September Meter Reads – Ms. Barrett reported 4,417 meters were read in September for Cycles 1, 4 and 9. One hundred one work orders were cut to obtain manual reads not obtained during regular meter read routes. Five reads were questioned because of high usage.

October Billing – Ms. Barrett reported utility bills were mailed today in the amount of \$1,205,895.81. Penalties were assessed on 3,680 past due accounts (all cycles) in the amount of \$25,429.85 for a total billing in October of \$1,231,325.66.

Customer Service – Ms. Barrett reported thirty-one final reads with equipment inspections were performed in September with no violations. Forty-three new customer welcome letters were mailed in August and eighteen responses were received in September.

ENGINEER'S REPORT

Resolution 2012-51 – Performance Guarantee Reduction - Toll Brothers/Sea Breeze at Lacey – Phase 2C, Section 2 - On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2012-51, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Performance Guarantee Reduction, Water and Sewer Systems, Toll Brothers – Sea Breeze at Lacey - Phase 2C, Section 2, Block 1901, Lot 18*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2012-52 – Performance Guarantee Reduction – Sewer Pump Station - Toll Brothers/Sea Breeze at Lacey – Phase 1, Section 1 - On recommendation by the Authority's engineer, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2012-52, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Performance Guarantee Reduction Sewer Pump Station. Toll Brothers – Sea Breeze at Lacey – Phase 1, Section 1, Block 1901, Lot 18*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated ground breaking is scheduled for October 15th. Mr. Masciale asked when would this project become operational. Mr. Dittenhofer stated he anticipates having it on-line in December, however, due to financing he anticipates having it operational June 2013. Mr. Knoeller asked if the heating system would be modified. Mr. Dittenhofer stated it would.

Cleaning and Televising Contract No 7 – Mr. Dittenhofer stated repairs are ongoing.

S-2 and FRB-2 Pump Station Hydraulic Comminutor – Mr. Dittenhofer stated this project should begin within the next two weeks.

ATTORNEY'S REPORT

Crown Castle – Mr. Connors stated his office is waiting for the final execution of the documents for the perpetual lease with Crown Castle.

Sea Breeze/Toll Brothers – On recommendation by the Authority's attorney, a motion was made by Mr. Kennedy and seconded by Mr. Juliano to adopt *Resolution 2012-53, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Approval and Execution of an Amendment to the Developer's Agreement with Toll Brothers, LLC*. Mr. Woolf noted the original document indicated a credit due to Toll Brothers of \$1,070,000.00. He stated this amount is the total project

cost. The Authority is only responsible for crediting Toll Brothers one-third of the total cost. Therefore, the document has been corrected to reflect the correct amount of \$356,759.00.

Another issue is the EDUs. The Authority owes Toll Brothers \$350.00 on a non Toll Brothers connection. The document states the Authority will charge \$350.00 above and beyond the connection fee, however, the Board has not formally adopted this. Mr. Woolf stated he contacted Mr. Dasti regarding this issue and he indicated the Authority would be paying Toll Brothers \$350.00 either way. Mr. Knoeller pointed out the policy would have to be changed should the Board agree to this. Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended August 31, 2012 – Mr. Conaty reported user charges for sewer resulted in a favorable variance for the month, but unfavorable year-to-date. User charges for water resulted in an unfavorable variance for the month, as well as year to date. Delinquency charges resulted in a favorable variance for water and sewer. Interest income had an unfavorable variance on both water and sewer.

Mr. Conaty stated his office would be preparing the 2013 budget documents for the State. Additionally, his office is in the process of preparing the census forms as required by the State.

CORRESPONDENCE

Barbara Manetti, Hidden Harbor Place – Requesting relief of utility bill, due to outside faucet being left on. Since the water from the outside water faucet 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 \$114.76 (38,000 gallons) for the period of July 3rd to October 2nd. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Rosalia Aiello, Middle Branch Drive – Requesting relief of utility bill, due to outside pipe leak. Since the water from the leak 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 \$85.36 (31,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Chris Morley, Binnacle Road – Requesting relief of utility bill, due to malfunctioning timer on outside hose. Since the water from the soaker hoses 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 \$111.56 (30,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Anthony Abbate, Fairview Lane – Requesting relief of utility bill, due to pool leak. Since the water from the leak did not go into the sewer system, 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 \$473.10 (73,000 gallons). Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Laura Tice, Normandie Drive – Requesting relief of utility bill and payment plan, due to broken sprinkler system 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 sewer charges of \$278.30 (46,000 gallons), as well as a payment plan for the water charges. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**OLD
BUSINESS**

Resolution 2012-54 – Appointment of Acacia Investment Advisory Group, Inc. – A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2012-54, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Acacia Investment Advisory Group, Inc., as Authority Investment Manager.* Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. Knoeller executed the Professional Services Agreement between Lacey Municipal Utilities Authority and Acacia Investment Advisory Group, Inc.

**NEW
BUSINESS**

Mr. Knoeller stated the issue with the OCUA is ongoing. It appears the OCUA submitted a deficiency notice to Mr. Dasti, and he is trying to negotiate with OCUA's attorney to resolve this issue. However, the bill will not be paid until this issue is resolved.

**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 \$208,559.27 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. 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 personnel matters.
3. It is anticipated at this time that the above-stated matter 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. Kennedy and seconded by Mr. Juliano to reopen the meeting. Roll call vote: Unanimously approved.

**OTHER
BUSINESS**

A motion was made by Mr. Kennedy and seconded by Mr. Juliano to remove Steven Przybylski from a union position to a non-union position as Pump Station Foreman. Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-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

