

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
APRIL 3, 2013**

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, April 3, 2013 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 Jack Nosti. Also present were Jerry Dasti, attorney; 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. Felipe Contreras, engineer, 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 March 6, 2013 - A motion was made by Mr. Miklosey and seconded by Mr. Masciale to approve the minutes of the Regular Meeting of March 6, 2013. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending February 28, 2013 - Mr. Woolf summarized the cash balances for period ending February 28, 2013 as follows: Total cash balance for the unrestricted accounts were \$6,445,599.46, with earnings of \$1,633.62. Total cash balance for the restricted accounts held by the trustee were \$6,544,053.35, with earnings of \$1,840.20. Current period interest on the restricted and unrestricted accounts was \$9,345.09. Year-to-date earnings on all interest bearing accounts were \$12,819.00.

Jersey Central Power & Light –Well No. 7 – On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to enter into an Agreement with Jersey Central Power & Light for Installation of Electric Distribution Facilities to service Well No. 7 in the amount of \$38,170.29. He noted the Authority will be eligible for refunding of the money advanced for a period not to exceed ten years. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Hydraulic Comminutors – L-4 and Parkers Point Pump Stations – Mr. Woolf requested authorization to advertise and receive bids for Hydraulic Comminutors at L-4 and Parkers Point Pump Stations. A motion was made by Mr. Kennedy and seconded by Mr. Juliano authorizing the executive director to advertise and receive bids for Hydraulic Comminutors at L-4 and Parkers Point Pump Stations. Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Public Officials Training – Mr. Woolf informed the Board that the Public Officials Training is scheduled for May 1st at 6:30 p.m.

Lacey MUA FEMA Claim – Mr. Woolf stated the Authority has submitted a claim to FEMA in the amount of \$71,799.20, due to damages sustained during Superstorm Sandy. A claim will also be submitted for water meters that were subject to flooding. Additionally, the Authority would be seeking mitigation funds for the purchase of emergency generators.

BUSINESS REPORT

March Meter Reads – Ms. Barrett reported 4,288 meters were read in March for Cycles 1, 4 & 9. One hundred thirty two work orders were cut to obtain manual reads not obtained during regular meter read routes. Six reads were questioned because of high usage. One customer was contacted by phone; five customers were sent a letter.

April Billing – Ms. Barrett reported utility bills would be mailed on April 4th in the amount of \$971,320.86. Penalties were assessed on 3,385 past due accounts (all cycles) in the amount of \$14,829.98 for a total billing in March of \$986,150.84.

Customer Service – Ms. Barrett reported twenty new customer welcome letters were mailed in February, and nine responses were received in March. Twenty-four final reads with equipment inspections were performed in March with no violations.

Superstorm Sandy - Ms. Barrett reported as of March 31st, there were ninety two water turn offs due to the storm at no charge to the customer. Field crew performed seventy one storm related repairs. LMUA charges were discontinued to 40 damaged homes in Cycle 3 and 36 damaged homes in Cycle 2. One submerged meter was replaced, at no charge to customer. She stated the list of meters potentially affected by the storm is still being generated, and the Authority is expecting to replace all of the submerged meters within the next 18 to 24 months. Attached to the business report is a spreadsheet of claims filed to date with FEMA.

Mr. Masciale asked if customers whose water has been turned off are still paying basic service charges. Mr. Woolf stated Mr. Coraggio has been inspecting homes. If he determines they are damaged, the water is shut off and service charges are discontinued. Ms. Barrett stated Ms. Busch will be compiling a list each month for Mr. Doeren to reinspect those homes to see if they have been rebuilt or are occupied. At that point, service charges will be restarted.

**ATTORNEY'S
REPORT**

Crown Castle Lease Extension – Mr. Dasti stated his office requested from the Township Attorney execution of the Easement Agreement from the Township to Crown Castle in order that Crown Castle will have access to the property upon which the cellular tower is located from municipal lands.

OCUA Deficiency – Mr. Dasti stated he is waiting to get information about an arbitrator on this issue.

Mr. Knoeller stated the OCUA insists there are no testing procedures to certify to the Authority that the meter is accurate or not accurate at the Berkeley/Lacey line. He finds their claim incomprehensible.

Sprint Spectrum – Mr. Dasti stated Sprint Spectrum is in the process of replacing existing cellular equipment at the Hill Street Water Tank. He recommended execution of documents submitted by Sprint Spectrum.

**AUDITOR'S
REPORT**

Accountant's Status Report – Month Ended February 28, 2013 – Mr. Holman reported sewer and water user charges, expenses and revenues resulted in a favorable variance for the month.

Mr. Holman distributed a draft copy of the auditor's report for year ending December 31, 2012. Overall, he stated it was a positive report with no recommendations. He pointed out that the Authority has withheld payments billed for 2012 in the amount of \$892,957 to the OCUA and ongoing disagreement over actual flows billed. This amount is included in accrued expenses at December 31, 2012.

FEMA Loan – Mr. Holman stated in order to qualify for the FEMA loan, the Authority has to show a projected loss of more than 5%, or \$500,000, of its revenue or ratable base. He stated his office, in conjunction with Mr. Dasti, would be preparing the necessary documents for the loan to be forwarded to FEMA by May 15th. He stated the fees associated with preparation for the FEMA loan would not exceed \$5,000.00. A motion was made by Mr. Masciale and seconded by Mr. Miklosey authorizing Mr. Holman to prepare the necessary paperwork for the FEMA loan in an amount not to exceed \$5,000.00. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes.

Mr. Masciale stated the cash balance analysis was discussed and found it to be acceptable.

Mr. Contreras arrived during this portion of the meeting.

**ENGINEER'S
REPORT**

Resolution 2013-25 – Preliminary Sewer Approval – Murray Grove Retreat and Renewal Center - Mr. Contreras reported his office received the application and plans for preliminary sewer approval for Murray Grove Retreat and Renewal Center, Block 520, Lot 2. The applicant is proposing to construct site improvements to an existing retreat facility located on the east side of Route 9, south of Haines Street. The applicant

proposes to connect to an existing manhole along Route 9 and install a 4" lateral to the site. An on-site ejector pump and force main will connect to the lateral to service the buildings. The existing septic tanks on site will be removed. On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Masciale to adopt *Resolution 2013-25, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Preliminary Sewer Approval, Murray Grove Retreat and Renewal Center, Block 520, Lot 2*. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2013-26 – Maintenance Bond Release – Construction of Wells 7 & 8 – A.C. Schultes, Inc. – On recommendation by the Authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to adopt *Resolution 2013-26, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Maintenance Bond Release, Construction of Wells 7 & 8, A.C. Schultes, Inc.*. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed. Mr. Knoeller asked if A.C. Schultes removed all their equipment from that site. Mr. Contreras stated they have.

Water Treatment Plant No. 1 Upgrades – Mr. Contreras stated electrical work and masonry at both locations is ongoing. One item not in place is the backwash tank, as well as the foundation. Mr. Knoeller asked about the timeframe on this project. Mr. Contreras stated once the building is in and chemical and filters are in place, treatment will commence.

Cleaning and Televising Contract No. 7 – Mr. Contreras stated the contractor has completed punch list repairs. Closeout documents for this project are being prepared.

S-2 and FRB-2 Pump Station Hydraulic Comminutor – Mr. Contreras stated the installation of the grinders is complete. Closeout documents for this project are being prepared.

Mr. Masciale asked if the Authority is being proactive with cleaning and televising. Mr. Contreras stated the project is complete. Mr. Masciale asked when is the next scheduled cleaning and televising. Mr. Woolf stated \$200,000 is in the budget for future projects. Mr. Masciale recommended proceeding with the cleaning and televising. Mr. Knoeller asked Mr. Contreras to follow-up with Mr. Woolf regarding locations and estimates to continue with this project.

CORRESPONDENCE

Marilyn Campbell, Orlando Drive – Requesting relief of utility bill, and waiver of penalties, due to water 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. Miklosey to grant a credit adjustment on the sewer charges in the amount of \$1,463.24 (215,000 gallons), as well as waiver of penalties in the amount of \$24.37. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

OLD BUSINESS

Ocean First Bank – Mr. Miklosey asked about the status of the Ocean First Bank issue. Mr. Woolf stated Ocean First is requesting a scenario of what the Authority is looking to do with the funds.

**NEW
BUSINESS**

There was no new business to discuss.

**PUBLIC BUSINESS/
COMMENT**

Richard Zarkiewicz, Penn Avenue – Mr. Zarkiewicz asked if the Board considered providing relief to customers that were unable to use sewer and water services after the storm. Mr. Knoeller stated the Board discussed the issue of service interruptions and it was decided that no relief would be given at this time. He explained doing so would put a burden on the operating budget.

**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 \$677,006.05 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 Eastern Warehouse Distributors; Kennedy-Yes; Knoeller-Yes. Motion passed.

Mr. Knoeller asked Mr. Dykoff for a Township update. Mr. Dykoff stated the Township is going to do their best to keep the tax increase to the residents as low as possible.

Mr. Knoeller stated he and Mr. Woolf met with Mr. Curtain and Mayor Quinn to discuss who would be making a determination in sewer and water relief to homeowners due to the storm. It was concluded LMUA personnel would be making the determination.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:35 p.m.

Respectfully submitted,

Michele Kennedy
Secretary

