

**LACEY MUNICIPAL UTILITIES AUTHORITY
REORGANIZATION AND REGULAR MEETING
FEBRUARY 6, 2013**

Pledge of Allegiance

ROLL CALL

The Reorganization and Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, February 6, 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, Jack Nosti, and Ralph Lanuto. Also present were Chris Dasti, attorney; Jerry Conaty, auditor; Alan Dittenhofer, engineer; Felipe Contreras, engineer; 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 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.

REORGANIZATION

Chairman – A motion was made by Mr. Masciale and seconded by Mr. Kennedy to appoint James Knoeller as Authority Chairman. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Abstain. Motion passed.

Vice Chairman – A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to appoint Michael Masciale as Authority Vice Chairman. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Abstain; Knoeller-Yes. Motion passed.

Secretary – A motion was made by Mr. Masciale and seconded by Mr. Miklosey to appoint Richard Kennedy as Authority Secretary. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Abstain; Knoeller-Yes. Motion passed.

Treasurer – A motion was made by Mr. Kennedy and seconded by Mr. Masciale to appoint Arthur Miklosey as Authority Treasurer. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Abstain; Knoeller-Yes. Motion passed.

**COMMITTEE
APPOINTMENTS**

Personnel Committee

Chaired by Richard Kennedy
James Knoeller
Alternate No. 1 – Arthur Miklosey
Alternate No. 2 – Jack Nosti

Safety Committee

Chaired by Richard Kennedy
Jack Nosti
Darren Coraggio, Safety Coordinator
Tammy Fetherman
Harry Peckham
JoAnn Byckiewicz

Budget and Finance Committee

Chaired by Michael Masciale
Arthur Miklosey
Alternate – James Knoeller

Public Relations Committee & Planning Committee

Chaired by James Knoeller
Michael Masciale
Alternate – Ralph Lanuto

Township Committee Liaison

Nick Juliano
Alternate – Jack Nosti

RESOLUTION NO. 2013-09 - AUTHORIZE REGULAR MEETING SCHEDULE

There was discussion regarding the July 3, 2013 board meeting listed on Schedule A. Since this meeting falls before day of holiday, the Board recommended the meeting take place on the second Wednesday of July. Schedule A would be revised to reflect the change of the July 3rd meeting to July 10th. A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution No. 2013-09, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Regular Meeting Schedule*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**PROFESSIONAL
APPOINTMENTS**

Mr. Woolf stated the administrative staff of the Authority received and reviewed the submissions of qualifications for professional service contracts. The Fair and Open process was utilized in determining the most qualified professionals; therefore, he recommends the following professionals be appointed to the Lacey Municipal Utilities Authority.

**RESOLUTION NO. 2013-10 - APPOINT ENGINEER - REMINGTON, VERNICK
AND VENA ENGINEERS**

- A motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution No. 2013-10, Resolution of the Lacey Municipal*

Utilities Authority, County of Ocean, State of New Jersey, Appointing the Firm Remington, Vernick and Vena Engineers as Authority Consulting Engineers. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2013-11 – APPOINT ATTORNEY – JERRY J. DASTI OF THE FIRM DASTI, MURPHY, MCGUCKIN, ULAKY, CHERKOS & CONNORS, P.C. – A motion was made by Mr. Masciale and seconded by Mr. Juliano to adopt *Resolution No. 2013-11, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Jerry J. Dasti of the Firm Dasti, Murphy, McGuckin, Ulaky, Cherkos & Connors as Authority Attorney. Roll call vote: Masciale-Yes; Juliano-Yes; Miklosey-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.*

RESOLUTION NO. 2013-12 – APPOINT AUDITOR – FRANK B. HOLMAN OF THE FIRM HOLMAN & FRENIA, PC - A motion was made by Mr. Kennedy and seconded by Mr. Juliano to adopt *Resolution No. 2013-12, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Frank B. Holman, III, of the Firm Holman & Frenia, P.C as Authority Auditor. Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.*

RESOLUTION NO. 2013-13 – APPOINT CONFLICT ATTORNEY – RICHARD D. MEINDERS, P.C. – A motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution No. 2013-13, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Richard D. Meinders, P.C. as Authority Conflict Attorney. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.*

RESOLUTION NO. 2013-14 – APPOINT CONFLICT ENGINEER – BRUCE CONNELL OF THE FIRM BIRDSALL SERVICES GROUP – A motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution No. 2013-14, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Bruce Connell, P.E., P.P., C.M.E. of the firm Birdsall Services Group as Authority Conflict Engineer. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.*

Mr. Woolf recommended Tabling Resolution 2013-15, appointment of Bond Counsel.

RESOLUTION NO. 2013-16 – APPOINT LABOR COUNSEL – JERRY J. DASTI OF THE FIRM DASTI, MURPHY, ULAKY, CHERKOS & CONNORS – A motion was made by Mr. Masciale and seconded by Mr. Kennedy to adopt *Resolution No. 2013-16, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Jerry J. Dasti, Esq. of the firm Dasti, Murphy, McGuckin, Ulaky, Cherkos & Connors, P.C. as Authority Labor Counsel. Roll call vote: Masciale-Yes; Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.*

RESOLUTION NO. 2013-17 – APPOINT RISK MANAGEMENT CONSULTANT CONNOR STRONG COMPANIES, INC. – A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution No. 2013-17, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Connor*

Strong Companies, Inc. as Authority Risk Management Consultant. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed

RESOLUTION NO. 2013-18 – APPOINT PUBLIC AGENCY COMPLIANCE OFFICER - KATHLEEN S. BARRETT – A motion was made by Mr. Masciale and seconded by Mr. Juliano to adopt *Resolution No. 2013-18, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Kathleen S. Barrett as Public Agency Compliance Officer, P.L. 1975, c. 127.* Roll call vote: Masciale-Yes; Juliano-Yes; Miklosey-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2013-19 – APPOINT PERSONNEL OFFICER – EDWARD A. WOOLF – A motion was made by Mr. Kennedy and seconded by Mr. Masciale to adopt *Resolution No. 2013-19, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Edward A. Woolf as Personnel Officer.* Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2013-20 – APPOINT FUND COMMISSIONERS AND ALTERNATE FUND COMMISSIONER TO THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND – A motion was made by Mr. Kennedy and seconded by Mr. Juliano to adopt *Resolution No. 2013-20, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Fund Commissioners and Alternate Fund Commissioner for the New Jersey Utilities Authorities Joint Insurance Fund.* Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2013-21 – APPOINT COMPANY PHYSICIAN – FORKED RIVER MEDICAL SPECIALISTS, P.A. – A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution No. 2013-21, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Forked River Medical Specialists, P.A. as Company Physician.* Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

RESOLUTION NO. 2013-22 – APPOINT COMPUTER CONSULTANT – DAVID J. KUBIAK – A motion was made by Mr. Kennedy and seconded by Mr. Juliano to adopt *Resolution No. 2013-22, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing David J. Kubiak as Computer Consultant.* Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**APPROVAL
OF MINUTES**

Regular Meeting of January 9, 2013 - A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to approve the minutes of the Regular Meeting of January 9, 2013. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Masciale-Abstain; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending December 31, 2012 - Mr. Woolf summarized the cash balances for period ending December 31, 2012 as follows: Total cash balance for the unrestricted accounts were \$5,893,462.42, with earnings of \$1,582.97. Total cash balance for the restricted accounts held by the trustee were \$5,973,078.33, with earnings of \$1,231.05. Current period interest on the restricted and unrestricted accounts was \$2,814.02. Year-to-date earnings on all interest bearing accounts were \$64,561.35.

Resolution 2013-23 – Award Non-Fair and Open Contract for Water Meter Equipment - A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2013-23, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Award of a Non-Fair and Open Contract for HD Supply Corporation* in the amount of \$24,630.00. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. Miklosey reminded Mr. Woolf to schedule a meeting with Acacia Financial Investments.

**BUSINESS
REPORT**

January Meter Reads – Ms. Barrett reported 3,907 meters were read in January for Cycles 2 and 9. One hundred twenty seven work orders were cut to obtain manual reads not obtained during regular meter read routes. Five reads were questioned because of high usage. One customer was contacted by phone; four customers were sent a letter.

February Billing – Ms. Barrett reported utility bills were mailed on February 5th in the amount of \$747,691.82. Penalties were assessed on 3,547 past due accounts (all cycles) in the amount of \$14,037.81 for a total billing in February of \$761,729.63.

Customer Service – Ms. Barrett reported twenty-six final reads with equipment inspections were performed in January with no violations. Twenty-five new customer welcome letters were mailed in December and seventeen responses were received in January.

Tax Sale – Ms. Barrett stated the tax lien sale was held on Friday January 25th. The Tax Collector sold liens on 515 LMUA accounts in the amount of \$413,712.11. One LMUA account, in the amount of \$224.31 was not sold to a 3rd party so the Tax Collector holds a lien on one account.

**ENGINEER'S
REPORT**

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated this project is ongoing.

Cleaning and Televising Contract No. 7 – Mr. Dittenhofer stated the contractor has completed all punch list repair items, and closeout documents are being prepared.

S-2 and FRB-2 Pump Station Hydraulic Comminutor - Mr. Dittenhofer stated a Notice to Proceed was issued December 13, 2012. Submittals have been reviewed and approved. Project is anticipated to start within two weeks.

MUA Garage Property – Mr. Dittenhofer stated his office appeared before the Township Planning Board to address some issues regarding this project.

Hill Street Water Tank – Mr. Dittenhofer stated the subdivision plans have been filed with the County.

ATTORNEY'S REPORT

Global Signal Acquisitions IV, LLC – Mr. Dasti stated the easement agreement has been forwarded to the Township Attorney for execution.

Maintenance Garage Site Plan – Mr. Dasti stated all documentation has been submitted to the Planning Board for preliminary and final site plan approval. A Planning Board hearing is scheduled for February 11th. Property owners adjoining this property have been notified.

Hill Street Subdivision – Mr. Dasti stated RV&V is finalizing the minor subdivision map with the County Clerk's office. Thereafter, Sprint Spectrum will be able to obtain a zoning permit to upgrade the existing cellular antennas on Tank No. 2.

OCUA – Mr. Knoeller stated he has not received a date for the arbitration hearing with the OCUA.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended December 31, 2012 – Mr. Conaty reported sewer and water user charges resulted in a favorable variance for the month, however; unfavorable year to date. Delinquency charges on sewer and water had a favorable variance for the month and year to date. Connection fees on sewer and water had an unfavorable variance for the month. Interest income on sewer had an unfavorable variance for the month, but favorable year to date. Interest income on water had an unfavorable variance for the month and year to date.

Mr. Conaty stated the trustee had requested an update to the arbitrage calculations. He explained the Authority cannot earn more in interest than what they are paying in interest on the bonds. His office updated the calculations for the trustee through December 31, 2012, and there was no arbitrage due.

Mr. Conaty stated field work for the audit would begin before the next board meeting.

CORRESPONDENCE

Jennifer Howard, Long Hill Road – Requesting relief of utility bill, due to broken water line. 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 \$411.38 (81,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Barbara Park, Paradise Point Blvd. – Mr. Park was present, on behalf of his mother Joan Becker, requesting relief of utility bill, due to leaking water 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. Masciale to grant a credit adjustment on the sewer charges in the

amount of \$3,775.04 (95,000 gallons on the September bill and 439,000 gallons on the December bill), as well as waiving the January and February penalties posted of \$189.07. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Tamer Abdelhakien, Carr Court - Requesting relief of utility bill, due to underground 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 \$754.00 (102,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed

**OLD
BUSINESS**

There was no old business to discuss.

**NEW
BUSINESS**

Water and Sewer Finance Contingency Plan - Mr. Knoeller stated he had asked Mr. Woolf to prepare a water and sewer finance contingency plan in the event the Authority is forced to reduce its overall operational expenses to maintain a stable budget. The four options are as follows:

1. **Water Shut Off Program** - Mr. Masciale asked if a water shut-off program can be legally done. Mr. Knoeller stated it can be done legally. The County must be notified as well as properly notifying those affected customers. He added many other municipalities have instituted this program. Mr. Knoeller pointed out there is no existing policy in place, therefore, this plan should be considered for implementation. Mr. Masciale asked the reason there is no policy. Mr. Woolf stated the Authority enjoyed the 18% interest it received at the end of the year. Mr. Knoeller asked Mr. Woolf to prepare a report for the next meeting outlining fees, charges, etc., associated with the water-shut off program.
2. **Reduction in Force (RIF)** - Mr. Knoeller stated unfortunately, this plan could be considered to reduce the overall cost of salary and benefits if revenues continue to fall.
3. **Furlough or reduction in employee hours** – Mr. Knoeller stated he is not in favor of furlough or reduction in hours. He recommends this option not be considered.
4. **Water and Sewer Rate Increase** – Mr. Knoeller stated the rates have already been increased.

Of the above points, Mr. Knoeller recommends the water shut off program and reduction in force. He stated reduction in force would only be explored should the occasion arise. The water shut-off program should be considered and implemented as soon as possible. Mr. Knoeller asked Mr. Woolf to discuss the shut-off policy with Mr. Dasti for legal guidance, as well as contacting the County Board of Health to find out if there has been any changes to the customer notification procedure.

**PUBLIC BUSINESS/
COMMENT**

Regina Discenza, Sunset Boulevard – Mrs. Discenza stated she agrees with the shut-off policy. She stated Brick MUA has an excellent policy for guidance.

**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 \$575,837.99 be and the 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.

**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 contract negotiations.

3. It is anticipated at this time that the above-stated matter will be made public once these matters have 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. Masciale and seconded by Mr. Miklosey to reopen the meeting. Roll call vote: Unanimously approved.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:30 p.m.

Respectfully submitted,

Michele Kennedy
Secretary