

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
MARCH 6, 2013**

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, March 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 Alan Dittenhofer, engineer; Felipe Contreras, engineer; Jerry Dasti, attorney; Jerry Conaty, auditor; Edward A. Woolf, Executive Director, and Kathleen Barrett, Assistant Director. Sean Sharkey, 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**

Reorganization and Regular Meeting of February 6, 2013 - A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Reorganization and Regular Meeting of February 6, 2013. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Closed Session Meeting of February 6, 2013 - A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to approve the minutes of the Closed Session Meeting of February 6, 2013. Roll call vote: Miklosey-Yes; Kennedy-Yes; Juliano-Yes; Masciale - Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending January 31, 2013 - Mr. Woolf summarized the cash balances for period ending January 31, 2013 as follows: Total cash balance for the unrestricted accounts were \$6,287,132.03, with earnings of \$1,683.76. Total cash balance for the restricted accounts held by the trustee were \$6,355,251.04, with earnings of \$7,661.33. Current period interest on the restricted and unrestricted accounts was \$9,345.09. Year-to-date earnings on all interest bearing accounts were \$9,345.09.

Sprint Spectrum – Mr. Woolf reported Sector Site had submitted a document to be executed requesting permission to install underground cable and replace equipment at the Hill Street site. Mr. Dasti informed Mr. Woolf the document was acceptable to sign.

Resolution 2013-24 – Amend and Supplement Rules and Regulations – Termination of Service Due to Non-Payment – Mr. Woolf stated at the last meeting there was discussion on ways to increase the Authority’s cash flow. One option was a water-shut off policy for consideration. Mr. Knoeller outlined points and procedures outlined in the Resolution. He stated implementation of the procedure is contingent upon administration customizing the computer software.

Mr. Knoeller stated customers would be notified by mail, as well as a “door-knocker” placed on their door informing them their water would be shut off in the next 10-15 days if they do not pay their utility bill. Mr. Nosti stated the \$50.00 shut-off fee is reasonable.

Mr. Masciale asked why is there no tax lien involved with other public utilities such as New Jersey Natural Gas and JCP&L, and there is for the LMUA. Mr. Dasti stated since the Authority is a governmental entity the State Statute allows it.

Mr. Knoeller stated to avoid meter-tampering, a locking curb box cap would be put on the curb box. Mr. Nosti stated the fine should be substantial if a customer was to tamper with the meter.

Mr. Kennedy asked if customers would be notified in advance of the shut-off policy. Mr. Knoeller stated advanced notification would be provided through various methods such as a billing stuffer, newspaper, Channel 21, LMUA website, as well as providing the Township with the information to be read at the next Township meeting. The Township should also have the information on their website.

Mr. Knoeller asked Ms. Barrett how long would it take for the policy to be implemented. Ms. Barrett stated at least by July 1st.

Ms. Barrett asked about the minimum amount for a shut off. Mr. Woolf recommended \$100.00. The Board concurred. Mr. Knoeller stated anything over \$100.00 the customer would get notified of a water shut-off.

On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Masciale to adopt *Resolution 2013-24, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Amending and Supplementing the Authority’s Rules and Regulations to Provide for Termination of Service Due to Non-Payment*. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

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

LMUA Website - Mr. Woolf reported the Authority is in the process of creating a LMUA website. He explained the Local Finance Board is requesting that certain documentation must be available on a website such as audit and budget information.

Safety Award - Mr. Woolf stated the Authority received a one-year loss time accident free award from the New Jersey Joint Insurance Fund. He thanked Darren Coraggio for doing an outstanding job with the Safety Program.

BUSINESS REPORT

February Meter Reads – Ms. Barrett reported 3,799 meters were read in February for Cycles 3 & 9. Ninety-nine work orders were cut to obtain manual reads not obtained during regular meter read routes. Four reads were questioned because of high usage. One customer was contacted by phone; three customers were sent a letter.

March Billing – Ms. Barrett reported utility bills were mailed on March 5th in the amount of \$731,316.88. Penalties were assessed on 3,625 past due accounts (all cycles) in the amount of \$15,676.81 for a total billing in March of \$746,993.69. Ms. Barrett pointed out that some of the accounts penalized are not necessarily customers that did not pay their entire bill. They may have had a penalty left over from the prior month.

Customer Service – Ms. Barrett reported forty-two new customer welcome letters were mailed in January, and fifteen responses were received in February. Twenty-two final reads with equipment inspections were performed in February with no violations.

Superstorm Sandy - Ms. Barrett reported there were seventy-nine water turn offs due to the storm at no charge to the customer. Field crew performed sixty seven storm related repairs such as curb boxes, MXUs, meters, etc. LMUA charges were discontinued to 17 damaged homes in Cycle 3 and 30 damaged homes in Cycle 2. One meter was replaced, at no charge that was submerged. Ms. Barrett stated the Authority is expecting to replace all of the submerged meters within the next 18 to 24 months, since they will stop working due to the salt water. Ms. Barrett pointed out the Authority is hoping to receive FEMA money on the issues related to the storm.

MUAA – Ms. Barrett reported the MUAA dinner/meeting will be held on Thursday, March 14th. The topic of discussion will be AEA Legislation Affecting Water/Sewer Authorities.

Mr. Miklosey pointed out shutting off services will affect the cash flow as the year goes on and should be monitored.

ENGINEER'S REPORT

Change Order No. 1 - Water Treatment Plant No. 1 Upgrades – On recommendation by the Authority's engineer, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to approve Change Order No. 1 representing pump starters and electrical upgrades for a net contract increase of \$64,400.48. Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Cleaning and Televising Contract No. 7 – Mr. Dittenhofer stated the contractor has completed punch list repairs. Closeout documents for the project 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. This project is scheduled to begin March 12th.

MUA Garage Property – Mr. Dittenhofer stated site plan approval was received by the Planning Board. A Resolution approving the major site plans at this location is under completion.

Mr. Masciale asked for the status of the two wells and the plant. Mr. Dittenhofer stated the chlorine contact tank and piping has been installed. Work is going on at both of the buildings and the project should be complete at the end of May.

ATTORNEY'S REPORT

OCUA Deficiency – Mr. Dasti stated he spoke with the attorney for the OCUA and it was agreed that this matter be arbitrated by a certified mediator. Mr. Masciale asked how much would it cost for arbitration. Mr. Dasti stated approximately \$3,000-\$5,000. Mr. Miklosey asked how an arbitrator would be selected. Mr. Dasti stated he and the OCUA attorney will jointly decide. Mr. Masciale stressed he is not in favor of splitting the difference on this issue.

Maintenance Garage Site Plan – Mr. Dasti stated we appeared before the Planning Board in February and received approval for the site plan of the garage facility.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended January 31, 2013 – Mr. Conaty reported sewer and water user charges, expenses and revenues resulted in a favorable variance for the month. The year-end audit and Deferred Comp review has started this week, and a report will be given at the April meeting.

Mr. Miklosey stated he is dissatisfied with Ocean First Bank's handling of the \$500,000.00 loan repayment. He asked Mr. Conaty to provide to him what the payments were originally and what they are now.

CORRESPONDENCE

Foxmoor Development, Ltd, Main Street – 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. Customer will be advised to have meter tested.

Leoni King, Laurel Blvd. - Requesting relief of utility bill, due to broken water heater. Since the water from the hot water heater 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 \$118.80 (31,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Albert Silvestri, Middle Branch Drive – Requesting relief of utility bill, due to leaking 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. Juliano to grant a credit adjustment on the sewer charges in the amount of \$198.84 (14,000 gallons on the September bill and 49,000

gallons on the December bill). Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Rosemarie Goehringer, Ensign 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.

**OLD
BUSINESS**

Professional Services Agreement – Dasti, Murphy, McGuckin, Ulaky, Cherkos & Connors – Authority Attorney – 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 7, 2013 to February 5, 2014.

Professional Services Agreement – Forked River Medical Specialists – Authority Physicians – Chairman Knoeller and Secretary Kennedy executed the Professional Services Agreement between the Lacey Municipal Utilities Authority and Forked River Medical Specialists for the period from February 7, 2013 to February 5, 2014.

Professional Services Agreement – Richard Meinders, P.C. – Authority Conflict Attorney – Chairman Knoeller and Secretary Kennedy executed the Professional Services Agreement between the Lacey Municipal Utilities Authority and Richard Meinders, P.C. for the period from February 7, 2013 to February 5, 2014.

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 Remington, Vernick & Vena engineers for the period from February 7, 2013 to February 5, 2014.

Professional Services Agreement – Birdsall Services Group – Authority Conflict Engineer – Chairman Knoeller and Secretary Kennedy executed the Professional Services Agreement between the Lacey Municipal Utilities Authority and Birdsall Services Group for the period from February 7, 2013 to February 5, 2014.

Professional Services Agreement – Holman & Frenia, P.C. – Authority Auditor – Chairman Knoeller executed the Professional Services Agreement and Deferred Compensation Plan Audit between the Lacey Municipal Utilities Authority and Holman & Frenia, P.C. for the period from February 7, 2013 to February 5, 2014.

Mr. Nosti asked about the appointment of Bond Counsel. Mr. Knoeller stated the Authority would not be appointing Bond Counsel at this time. If one is needed in the future, the Authority would go out to bid for one.

**NEW
BUSINESS**

EPA Inspection – Mr. Miklosey asked Mr. Woolf to comment on the recent EPA inspections. Mr. Woolf explained annually, the EPA inspects the sewer and water systems. A problem area exists on Fairview Lane, where there are marshy conditions causing the manholes to settle, and the pitch is causing sewer back-ups. He reported this issue to the NJDEP. The EPA notified the Authority to make corrective action.

Mr. Woolf stated the repairs are costly, therefore; he recommends monthly maintenance on these manholes. Additionally, a pump station was inspected and there was evidence of grease. The Authority had instituted a grease trap inspection program, which has been successful. Mr. Woolf will submit a letter to the EPA with a course of action in rectifying these issues. In regards to the Fairview Lane issue, Mr. Knoeller stated repairs should be a cooperative effort with the Township. If they do road and storm drainage that would be the time to look at fixing the manholes, etc.

LMUA Billing – Mr. Knoeller reported he and Mr. Woolf met with Township representatives to discuss consolidation efforts between them and the Authority. They are requesting a review of the Authority's billing procedures to determine if it is feasible for the Township's tax department to do the collections the Authority presently does. Mr. Woolf will be meeting with the tax collector over the next month to discuss this issue in more detail.

**PUBLIC BUSINESS/
COMMENT**

Regina Discenza – Mrs. Discenza asked if the Authority would be notifying homeowners of tenant occupied properties of the water shut-off policy. Ms. Barrett stated utility bills are mailed to the homeowner, however, a homeowner can submit a request in writing that the utility bill be mailed to the tenant.

Mrs. Discenza asked about meter tampering, pointing out an individual can turn the meter back on after it is shut-off. Mr. Knoeller stated the Authority has a \$500.00 meter tampering policy in place. Mr. Woolf added there is also a locking curb box cap that will be installed.

Bill Moss – Mr. Moss was present to ask for clarification in why the Authority instituted a 4% water rate increase, even though it received \$714,507.28 from the Township for the tax lien sale. Mr. Woolf stated they are two separate issues. He explained the money received from the tax lien sale is money that was owed to the Authority from the delinquent accounts from 2012. The 4% water rate increase was needed to insure the Authority had enough revenue to support the expenses in the operating budget. Mr. Conaty further explained essentially the Authority laid out the money for the delinquent accounts in 2012. Therefore, the Authority was owed this money. The rate increase was needed because to cover costs on the water side of the budget, which was running a deficit.

Mr. Moss asked what the Authority did with the money received from the tax lien sale. Mr. Knoeller stated it was put back into the operating budget. He pointed out it was not a surplus, it was recovered funds that the Authority anticipated in receiving during that budgetary year.

**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 \$909,901.62 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 Eastern Warehouse Distributors; Masciale-Yes; Knoeller-Yes. Motion passed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:40 p.m.

Respectfully submitted,

Michele Kennedy
Secretary

