

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
OCTOBER 2, 2013**

Pledge of Allegiance

ROLL CALL

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, October 2, 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 Jerry Dasti, Esq, attorney; Frank Holman, auditor; Alan Dittenhofer, engineer; Felipe Contreras, engineer and Edward A. Woolf, Executive 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 September 4, 2013 – A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Regular Meeting of September 4, 2013. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Closed Session Meeting of September 4, 2013 – A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to approve the minutes of the Closed Session Meeting of September 4, 2013. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending August 31, 2013 - Mr. Woolf summarized the cash balances for period ending August 31, 2013 as follows: Total cash balance for the unrestricted accounts were \$6,268,714.51, with earnings of \$932.14. Total cash balance for the restricted accounts held by the trustee were \$6,597,182.86, with earnings of \$1,373.07. Current period interest on the restricted and unrestricted accounts was \$2,305.21. Year-to-date earnings on all interest bearing accounts were \$39,255.57

Resolution 2013-59 – Appointing Derek Verge - Utility Maintenance Operator – Grade 3 - On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2013-59, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Appointing Derek Verge as Utility Maintenance Operator, Grade 3*. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2013-61 – Award Contract for Electrical Maintenance and Repair - On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to adopt *Resolution 2013-61, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Awarding Contract for Electrical Maintenance and Repair to Westphal Electric*. The contractor will be paid on an hourly basis. Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed. Mr. Miklosey asked how the hours of work are determined. Mr. Woolf stated he reviewed what was paid out in previous years and came up with an estimate. He added that the contractor is not guaranteed a specific amount of hours. They were given an estimate of hours they could potentially expect.

Resolution 2013-62 – Authorize Debt Service Reserve Agreement with Build America Mutual Assurance Company (BAM) – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2013-62, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorize Debt Service Reserve Agreement with Build America Mutual Assurance Company (BAM)*. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Resolution 2013-63 – Authorize Debt Service Reserve Surety for the Water Bond with Build America Mutual Assurance Company (BAM) - On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Juliano to adopt *Resolution 2013-63, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorize Debt Service Reserve Surety for the Water Bond with Build America Mutual Assurance Company (BAM)*. Roll call vote: Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

2014 LMUA Sewer and Water Budgets Mr. Masciale stated the Finance Committee reviewed the 2014 sewer and water budgets in detail. Mr. Woolf prepared and submitted the proposed budgets for the Commissioners review.

Mr. Miklosey stated the largest increase in the budget is the health insurance. He pointed out that employees who originally opted out in obtaining health insurance are now receiving it.

Mr. Holman reported a rate increase is not proposed in the budget. He stated the challenging factor was with the health insurance and storm related damage, however, the growth of Toll Brothers has offset the overall expenses.

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

Approve 2014 Sewer Budget – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Juliano to approve the 2014 Sewer Budget. Roll call vote: Masciale-Yes; Juliano-Yes; Miklosey-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Approve 2014 Water Budget – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Juliano to approve the 2014 Water Budget. Roll call vote: Masciale-Yes; Juliano-Yes; Miklosey-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

BUSINESS REPORT

The business report was submitted for review.

ENGINEER'S REPORT

Water Treatment Plant No. 1 Upgrades - Mr. Dittenhofer stated this project is ongoing. The schedule has been revised with the contractor and the anticipated completion date is October 10th. He pointed out this date does not include Well No. 8. He is still waiting for the power from JCP&L to be completed from Plant 1 to Plant 2.

Approval of Change Order No. 3 – Water Treatment Plant Upgrades – Plant No. 1 – Installation of Wells 7 & 8 – TKT Construction – Mr. Dittenhofer explained the change order of \$81,972.00 is for control work that was not in the original contract when it went out to bid. Mr. Contreras summarized the change order as follows:

He stated the first three items are related to controls. First item is to be able to remotely control communications between treatment plant Well No. 8 and the existing tank. The second item is the integration between water treatment plant No. 1 and water treatment plant No. 2 and the tanks, which has to do with licensing and radio signal. The third item is to have assistance of remote access to check the condition of the system through a computer, phone, etc. The other six items are quantity adjustments which includes recycling, changing pumps, new fencing and landscaping.

Mr. Knoeller stated he discussed this change order with the engineer to determine what change order items were necessary, and what value they would have to the new operation of wells 7 & 8 and the treatment plant, and what could save the Authority labor, time, effort and money. He asked the engineers to get a price comparison for additional fencing to see if it can be done cheaper. Additionally, he recommends the Authority take charge in landscaping by putting stone down to eliminate maintenance. Mr. Knoeller stated he understands the need for the controls in the event there is a problem it can be addressed immediately, thereby eliminating the need of physically going to the plant. He stated a project of this size should have had these items in the initial bid package.

Mr. Knoeller recommends removing items E14 and E15 from the change order. Additionally, he is asking that the contractor give the Authority a credit by removing the top soil and seed charges from their change order. Mr. Dittenhofer stated it is important to get the electrical items approved. A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve change order items E-8, E-9, E-10 and E-11 on Change Order No. 3 in the amount of \$70,900.78. This Change Order reflects the omission of

items E14 and E15. Roll call vote: Masciale-Yes; Miklosey-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Decommissioning of Brookdale Wells No. 1 & No. 2 - Mr. Knoeller asked Mr. Dittenhofer to provide the Board with a plot plan for the actual size of the lot for the next meeting. He asked that it be broken down into square footage.

Installation of Hydraulic Grinder at Parker's Point & L4 – Mr. Dittenhofer stated this project is ongoing.

Cleaning & Televising Contract No. 8 – Mr. Dittenhofer stated the design is complete for this project. A bid opening is scheduled for October 8th.

ATTORNEY'S REPORT

Bond Refunding – Mr. Dasti stated the bond refunding process is proceeding through, and will be able to sell the bonds at the end of the month.

Crown Castle – Mr. Dasti stated Crown Castle is requesting to put fiber optics in an easement area the LMUA has across Township property. Mr. Dittenhofer advised the Authority this would not be an issue. Mr. Dasti stated he would approach the Township with this request issue since they own the property.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended August 31, 2013 – Mr. Holman reported overall, the budget is satisfactory. Expenses, revenues and user charges are favorable. In reference to the OCUA report, Mr. Miklosey noted the report did not include July information. It only referenced June and August. Mr. Holman stated he would look into this issue.

CORRESPONDENCE

Irene Hollings – Ms. Hollings was present to request relief of utility bill, due to unexplained high water usage. Mr. Knoeller recommended waiting for the next billing period to compare the reading. A determination can be made at that time if the meter should be pulled for testing. .

John Cangelosi – Requesting relief of utility bill, due to broken water pipe. 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 in the amount of \$578.87 (96,000 gallons). Roll call vote: Kennedy-yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. & Mrs. Tempera - Requesting relief of utility bill, due to broken water pipe. Since the water that leaked did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to grant a credit adjustment in the amount of \$1,484.60 (243,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

John Neuner - Requesting relief of utility bill, due to outside faucet leak. Since the water that leaked did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Juliano to grant a credit adjustment in the amount of

\$805.53 (120,000 gallons). Roll call vote: Kennedy-Yes; Juliano-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mark Dykoff, Normandie Drive – Requesting relief of utility bill, due to over-filling of swimming pool. Based upon the available information, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to grant a credit adjustment in the amount of \$214.77 (37,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. & Mrs. Matthews – Requesting relief of utility bill, due to broken water pipe. 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 in the amount of \$623.51 (89,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Steven Raferzeer - Requesting relief of utility bill, due to filling pool since pool liner needed to be replaced. Based upon the available information, a motion was made by Mr. Kennedy and seconded by Mr. Miklosey to grant a credit adjustment in the amount of \$15.08 (13,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Juliano-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Richard Samulka - Requesting relief of utility bill, due to broken water pipe. Since the water that leaked did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Masciale to grant a credit adjustment in the amount of \$112.88 (39,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Juliano-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Steven Letizia – Requesting relief of utility bill, due to leak in crawl space. Based upon the available information, a waiver of a portion of the charges could not be supported.

**OLD
BUSINESS**

Gluck Walrath, LLC – Mr. Knoeller stated at the last meeting there was discussion Gluck Walrath was seeking additional money for anticipated services they would be providing to the Authority. Mr. Woolf stated initially they were, however, the Agreement presented is what was originally agreed to in the amount of \$22,500.00. On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Masciale to authorize execution of the fee agreement between the Lacey Municipal Utilities Authority and Gluck Walrath, LLC in the amount of \$22,500.00. Roll call vote: Miklosey-Yes; Masciale-Yes; Juliano-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**NEW
BUSINESS**

There was no new business to discuss.

**PUBLIC BUSINESS/
COMMENT**

Regina Discenza, Sunset Drive – Mrs. Discenza asked what is the total cost for health insurance benefits in the Authority's 2014 budget. Mr. Holman stated \$486,000.00.

Mrs. Discenza asked how many homes went off-line due to Hurricane Sandy, and how many homes have had service restored. Ms. Busch stated there were eighty-seven

confirmed disconnections, and as of this date twelve have been reconnected. Mrs. Discenza stated she thought six hundred homes were affected. Mr. Knoeller stated that amount was homes that may have suffered damage. Ms. Busch added that there were home owners who shut their water off but did not actually disconnect.

Mrs. Discenza informed the Board that she has read the book "Toms River" and had asked that they read the book as well. She stated the book alleges that the drinking water out of Community Medical Center's water fountain was contaminated for over forty years due to contamination of the deep wells. Mr. Knoeller reassured her there is no need for concern of contamination with any of the wells in town, especially new wells 7 & 8.

**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 \$591,194.09 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: Masciale-Yes; Masciale-Yes; Juliano-Yes, but abstains on Eastern Warehouse Distributors; Kennedy-Yes; Knoeller-Yes. Motion passed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:45 p.m.

Respectfully submitted,

Michele Kennedy
Executive Secretary

