

**LACEY MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING  
NOVEMBER 4, 2015**

Pledge of Allegiance

**ROLL CALL**

The regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, November 4, 2015 and was called to order at 7:00 p.m. by James Knoeller, Chairman. Other members present were Michael Masciale, Richard Kennedy, Arthur Miklosey, Jack Nosti, and Ralph Lanuto. Also present were Chris Connors, attorney; Jerry Conaty, auditor; Alan Dittenhofer, engineer; and Edward A. Woolf, Executive Director. Nick Juliano, 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.

**APPROVAL  
OF MINUTES**

**Regular Meeting of October 7, 2015** - A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Regular Meeting of October 7, 2015. Roll call vote: Masciale-Yes; Miklosey-Yes; Nosti-Abstain; Kennedy-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE  
DIRECTOR'S  
REPORT**

**Cash Balance Report - Period Ending September 30, 2015** - Mr. Woolf summarized the cash balances for period ending September 30, 2015 as follows: Total cash balance for the unrestricted accounts were \$7,007,300.06, with earnings of \$1,613.37. Total cash balance for the restricted accounts held by the trustee were \$6,309,481.62, with earnings of \$935.78. Current period interest on the restricted and unrestricted accounts was \$2,549.15. Year-to-date earnings on all interest bearing accounts were \$37,687.85.

**Change Order No. 2 – Water Treatment Chemicals 2015 – Miracle Chemical** – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Nosti to approve Change Order No. 2 representing quantity adjustments for a net contract increase of \$3,926.40. Roll call vote: Kennedy-Yes; Nosti-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Resolution 2015-60 – Transfer of Funds – 2015 Sewer and Water Budget** - On recommendation by the executive director, a motion was made by Mr. Nosti and seconded by Mr. Masciale to adopt *Resolution 2015-60, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Transfer of Funds, 2015 Sewer and Water Budget*. Roll call vote: Nosti-Yes; Masciale-Yes; Miklosey-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**Water Treatment Chemicals - 2016** – Mr. Woolf requested authorization to advertise and receive bids for water treatment chemicals for 2016. A motion was made by Mr. Nosti and seconded by Mr. Kennedy authorizing the advertisement to receive bids for water treatment chemicals 2016. Roll call vote: Nosti-Yes; Kennedy-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

## **BUSINESS REPORT**

The business report was submitted for review.

## **ENGINEER'S REPORT**

**Resolution 2015-59 – Accept Maintenance Bond – Release Performance Bond – Final Payment – Clean and Televis Sewer Contract No. 2 – Video Pipe Services, Inc.** – On recommendation by the authority's engineer, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2015-59, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Accepting the Maintenance Bond and Authorizing Release of the Performance Bond and Final Payment of \$17,852.02, Cleaning and Televising Sewer Contract No. 8*. Mr. Knoeller asked if RV&V inspects the work of the contractor that is doing the grouting, repairs, etc. Mr. Dittenhofer stated the inspector is there at all times. Roll call vote: Masciale-Yes; Miklosey-Yes; Nosti-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**Well No. 8 Start-Up** - Mr. Dittenhofer stated his office is coordinating with contractors to start up well No. 8.

**HMGP – Emergency Generators** – Mr. Dittenhofer stated originally the project was for skid mounted stationary generators, that was revised through an application with FEMA and now it is for trailer routed generators. We had the preconstruction meeting for the purchase of four generators for different stations. We are reviewing the submittals and applying for the electrical permits. Probably within six weeks all work should be complete.

**Marketing Plan** – Mr. Dittenhofer stated at the last meeting the Board had concern with respect to the increased electrical costs and additional chemicals for pumping at Well No. 7 (WTP#1). His office analyzed the additional electrical usage and pumpage data provided for WTP#1 and #2 in order to determine the actual water production cost. Based on this analysis, the additional electrical cost for WTP #1 is approximately \$0.04

per thousand gallons of water. The additional cost of required chemicals is approximately \$0.01 per thousand gallons of water. Based on previous analysis, the water production cost for 2014 was not applicable due to the effects of Superstorm Sandy, so the additional electrical and chemical costs were incorporated into the production cost for 2013. This results with a total production cost of \$2.45 per thousand gallons of water. In order to provide a realistic production cost, 10% overhead and 10% profit were added to the cost, resulting in a total production cost of \$2.97 per thousand gallons of water. This water production cost is still less than the rate that is charged by other purveyors in the area. Mr. Knoeller stated he would like to schedule a finance committee meeting to implement this plan.

Mr. Miklosey informed Mr. Dittenhofer that the charges for mileage and tolls in the past two month's vouchers were incorrect. Mr. Dittenhofer apologized and it has been corrected.

## **ATTORNEY'S REPORT**

**Cleaning and Televising Sewer Contract No. 8** – Mr. Connors stated his office has prepared the Resolution concerning the close out documents for this project.

**Water Meter Installation** – Mr. Connors stated his office reviewed the maintenance bond and prepared Resolution for the close out of this project.

**Clearview Street – Pheasant Run** – Mr. Connors stated his office is recommending a sub-committee be formed to discuss this project further.

**Electrical Upgrades to L-2, S-2, FRB-2 and L-4 Pump Stations** – Mr. Connors stated his office reviewed the contract documents and notice of award.

**Water Meter Installation** – Mr. Knoeller stated he is aware of the problem with the new water meters leaking. He asked if the Authority would be receiving credit from the contractor, Saks Metering, who installed the water meters. Mr. Woolf stated the Authority will be receiving credit. Steve Williams from RV&V is taking care of this matter.

## **AUDITOR'S REPORT**

**Accountant's Status Report – Month Ended September 30, 2015** – Mr. Conaty reported user charges resulted in a favorable variance for the month and year to date on sewer, but unfavorable for the month and year to date on water. Delinquency charges had a favorable variance for both water and sewer, due to collection of late fees and penalties assessed due to the failure of customer to make timely payments. Interest income had an unfavorable variance for the month on both water and sewer.

Mr. Masciale and Mr. Miklosey were confused in how the user fees for sewer are favorable for the month and water user fees are unfavorable. They believe they should run parallel together. Mr. Conaty explained the driving force may be due to sprinkler usage being down. If customers have meters for the sprinklers they are not getting billed for sewerage on those meters. The usage of the sprinklers decreases the water revenue.

Mr. Miklosey stated the sprinkler system issue must be taken into account when preparing the budget.

Mr. Conaty stated the budget that was approved at last month's meeting was submitted to the Division of Local Government Services. Mr. Miklosey asked if the change on the health benefit contribution for retirees was included in the budget. Mr. Conaty stated it was included.

## CORRESPONDENCE

**Mr. & Mrs. Tsarnas, Nantucket Road** – Requesting relief of utility bill, due to pipe leak in crawl space. 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 \$94.02 (23,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Nosti-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**William Hering, Peaksail Point**– Requesting relief of utility bill, due to pipe leak in crawl space. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Nosti to grant a credit adjustment on the sewer charges in the amount of \$300.34 (55,000 gallons). Roll call vote: Kennedy-Yes; Nosti-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Rachel Kindon, Cedar Ave.** – Requesting relief of utility bill and payment plan, due to broken 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. Nosti to grant a credit adjustment on the sewer charges in the amount of \$670.39 (104,000 gallons), and authorizing payment plan. Roll call vote: Kennedy-Yes; Nosti-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed

**William Truax, Capstan Dr.** – Requesting relief of utility bill, due to pipe leak in crawl space. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Nosti to grant a credit adjustment on the sewer charges in the amount of \$154.60 (28,000 gallons). Roll call vote: Kennedy-Yes; Nosti-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed

**James Vallila, Leeward Dr.** – 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 \$952.78 (141,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Nosti-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed

**Steven Gorda, Parkside Dr.** – Requesting relief of utility bill and payment plan, 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. Nosti to grant a credit adjustment on the sewer charges in the amount of \$676.72 (101,000 gallons), and authorization of payment plan. Roll call vote: Kennedy-Yes; Nosti-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Robert Oquist, Meadow Court** – Requesting relief of utility bill, due to leaky 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. Nosti to grant a credit adjustment on the sewer charges in the amount of \$2,483.00 (345,000 gallons). Roll call vote: Kennedy-Yes; Nosti-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**James Schumacher, Bowsprit Pt.** – Requesting relief of utility bill, due to leaky water meter. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Kennedy and seconded by Mr. Nosti to grant a credit adjustment on the sewer charges in the amount of \$622.00 (61,000 gallons). Roll call vote: Kennedy-Yes; Nosti-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed. Mr. Woolf stated the Authority will receive credit from Saks Metering.

**Richard Holzer, Seabright Rd.** – Requesting relief of utility bill, due to unexplained high water usage. Based upon the available information, a waiver of the service charges could not be supported.

**Sean Mahoney, Harris Rd.** – Requesting relief of utility bill, due to outside hose left on. 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 \$29.60 (17,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Nosti-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**Thomas Hickey, Arlington Ave.** – Requesting relief of utility bill, due to unexplained high usage. Based upon the available information, a waiver of the service charges could not be supported.

**William Briscoe, Laurel Blvd.** – Requesting relief of utility bill, due to unexplained high usage. Based upon the available information, a waiver of the service charges could not be supported.

**James Lesko, Tampa Rd.** – Requesting relief of utility bill, due to unexplained high usage. Based upon the available information, a waiver of the service charges could not be supported. Customer will be notified of the option to install an irrigation meter.

**Christopher Capizzi, Gemini Ct.** – Requesting payment plan. A motion was made by Mr. Kennedy and seconded by Mr. Nosti to offer customer payment plan. Roll call vote: Kennedy-Yes; Nosti-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Mr. & Mrs. Ulics, Joseph Ave.** - Mr. Knoeller recused himself from vote since his company fixed the problem, and attests they had a pool fill meter and the pool was leaking. Mr. & Mrs. Ulics was present to request relief of their utility bill as well as a payment plan, due to filling pool with pool fill meter. Mrs. Ulics explained the situation in detail and based upon the information provided, a motion was made by Mr. Miklosey and seconded by Mr. Nosti to grant a credit adjustment in the amount of \$762.14, as well as authorizing payment plan. Roll call vote: Miklosey-Yes; Nosti-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Abstain. Motion passed.

**Dawn Aronsen, Orlando Dr.** – Ms. Aronsen was present to request relief on utility bill, due to a broken pipe. Since the water that leaked did not go into the sewer system, a motion was made by Mr. Nosti and seconded by Mr. Kennedy to grant a credit adjustment on the sewer charges in the amount of \$247.36 (50,000) gallons. Roll call vote: Nosti-Yes; Masciale-Yes; Miklosey-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**OLD  
BUSINESS**

There was no old business to discuss.

**NEW BUSINESS**

Ms. Busch stated the Authority is now accepting credit cards on-line for utility bill payments. The fees associated with these services are 99 cents for echecks and 2.45% for credit cards.

**PUBLIC BUSINESS/  
COMMENT**

**Regina Discenza, Sunset Drive** – Mrs. Discenza asked when Well No. 8 is expected to be up and running. Mr. Dittenhofer stated within the next month.

**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 \$348,346.19 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. Nosti and seconded by Mr. Kennedy to adopt the above resolution. Roll call vote: Nosti-Yes; Kennedy-Yes; Miklosey-Yes; 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  
Executive Secretary

