

**LACEY MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING  
OCTOBER 7, 2015**

Pledge of Allegiance

**ROLL CALL**

The regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, October 7, 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, Ralph Lanuto and Paul DeNicola. Also present were Chris Dasti, 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 September 2, 2015** - A motion was made by Mr. Kennedy and seconded by Mr. Masciale to approve the minutes of the Regular Meeting of September 2, 2015. Roll call vote: Kennedy-Yes; Masciale-Yes; Lanuto-Yes; Miklosey-Yes; Knoeller-Abstain. Motion passed.

**EXECUTIVE  
DIRECTOR'S  
REPORT**

**Cash Balance Report - Period Ending August 30, 2015** - Mr. Woolf summarized the cash balances for period ending August 30, 2015 as follows: Total cash balance for the unrestricted accounts were \$7,354,347.67, with earnings of \$3,007.16. Total cash balance for the restricted accounts held by the trustee were \$6,266,585.74, with earnings of \$2,259.18. Current period interest on the restricted and unrestricted accounts was \$5,266.34. Year-to-date earnings on all interest bearing accounts were \$35,138.70.

**Change Order No. 1 – Water Treatment Chemicals 2015 – Miracle Chemical** – On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Kennedy to approve Change Order No. 1 representing quantity adjustments for a net contract increase of \$2,331.30. Roll call vote: Miklosey-Yes; Kennedy-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Resolution 2015-54 – Web Inquiry and Payment Portal Module** – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2015-54, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing the Payment for a “Web Inquiry and Payment Portal” Module from Edmunds & Associates, Inc.* Roll call vote: Masciale-Yes; Miklosey-Yes; Lanuto-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**Proposed 2016 Sewer and Water Budget** - Mr. Woolf stated the Finance Committee discussed and reviewed the 2016 sewer and water budgets in detail. He prepared and submitted the proposed budgets for the Commissioners review.

Mr. Woolf stated revenues remain the same for both water and sewer consumption and service charges. There is no large increase on the customer base, which is why there is not much of an increase. Interest income was increased. The Authority is balanced within the rate stabilization fund.

Mr. Miklosey asked about the line item in the budget for hospitalization on retirees. Mr. Woolf stated the Authority receives a copayment of approximately \$60,000 a year, however, he did not include it in the budget. He was going to look into setting up an account for future benefit payments for next year. Mr. Knoeller recommended this line item be included in the budget for 2016. Mr. Woolf stated he will amend the proposed budget to include this item.

In regards to operating expenses, Mr. Woolf stated water treatment plant No. 1 was put into service and the electric consumption is greater water treatment plant No. 2. Therefore, there is a \$25,000 increase in the utilities and natural gas line item for the water department. He stated he will discuss with the engineers some strategies to reduce the electric consumption. One idea was a variable frequency drive and possibly reducing the horsepower.

A motion was made by Mr. Miklosey and seconded by Mr. Masciale to approve the 2016 water and sewer budgets, contingent upon the addition of the health insurance line item for retirees. Roll call vote: Miklosey-Yes; Masciale-Yes; Lanuto-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**Resolution 2015-56 – Transfer of Funds – 2015 Sewer and Water Budget** – On recommendation by the executive director, a motion was made by Mr. Kennedy and seconded by Mr. Lanuto to adopt *Resolution 2015-56, 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: Kennedy-Yes; Lanuto-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**BUSINESS  
REPORT**

The business report was submitted for review.

**ENGINEER'S  
REPORT**

**Resolution 2015-55 – Preliminary Sewer and Water Approval – 420 South Main Street, LLC** – Mr. Dittenhofer stated his office received the application and plans for preliminary sewer and water approvals for 420 South Main Street, LLC, Block 225, Lots 14.01 & 15. The applicant is proposing to construct a commercial site that will convert an existing 2,600 SF residential dwelling into an office on the west side of Route 9, between Lakeside Drive South and Taylor Lane. The applicant proposes to utilize the existing water and sewer services to the building. On recommendation by the authority's engineer, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2015-55, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Preliminary Sewer and Water Approval, 420 South Main Street, LLC Site Plan, Block 225, Lots 14.01 & 15*. Roll call vote: Masciale-Yes; Miklosey-Yes; Lanuto-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**Resolution 2015-53 – Accept Maintenance Bond – Release Performance Bond – Final Payment – HD Supply** – On recommendation by the authority's engineer, a motion was made by Mr. Miklosey and seconded by Mr. Lanuto to adopt *Resolution 2015-53, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Approving Engineer's Certificate No. 6, Acceptance of the Maintenance Guarantee and Prevailing Wage Statement and Authorizing Release of the Performance Guarantee*. Roll call vote: Miklosey-Yes; Lanuto-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Water Treatment Plant No. 1 Upgrades** – Mr. Dittenhofer stated all the electrical work has been completed. Once the testing is done, Well No.8 will be ready to go online.

**Electrical Upgrades** – Chairman Knoeller and Secretary Kennedy executed the contract for electrical upgrades to L-2, S-2, FRB-2, L-4 pump stations in the amount of \$276,500.00 to Ranco Construction.

**Marketing Plan** – Mr. Dittenhofer stated due to the unexpected increase in electrical costs for the new water treatment plant, he will have to revise the numbers determine what the production costs will be. Mr. Miklosey pointed out the chemicals have increased as well. Mr. Woolf stated the chlorine demand is much higher at this plant. He will do a detailed analysis on the chemical usage to determine what it will cost to operate that plant versus water treatment plant No. 2. Mr. Masciale stressed the importance in determining what the costs are before negotiating with other towns. Mr. Dittenhofer stated he will reevaluate the marketing plan with the new information.

**ATTORNEY'S  
REPORT**

**Clearview Street – Pheasant Run** – Mr. Dasti stated the Township Committee will not agree to rezone the Pheasant Run property. Mr. Knoeller stated he understands, however, he would like to look into either selling or developing the property. If it was to be developed, the house would have to conform to the rest of the Pheasant Run development specifications, by-laws, and rules and regulations. He will discuss this project further with the attorney and engineer.

**530 Lacey Road, LLC** - Mr. Dasti stated his office reviewed the letters of recommendation from Remington Vernick & Vena engineers regarding preliminary and tentative sewer and water application.

## AUDITOR'S REPORT

**Accountant's Status Report – Month Ended August 31, 2015** – Mr. Conaty reported user charges resulted in an unfavorable variance for the month on both sewer and 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 a favorable variance on both water and sewer, due to investments that performed better than expected.

Mr. Knoeller asked Ms. Busch for the status in collection on the delinquencies. Ms. Busch stated collections have been going well.

Ms. Busch informed the Board by mid-October customers will be able to go on the Authority's website and review their account information. She anticipates accepting online credit card payments by November.

## CORRESPONDENCE

**Derek Stephensen, Lane Place** – Requesting relief of utility bill, due to outside faucet 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 \$77.52 (18,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Thomas Mahan, Dee Road** – Requesting relief of utility bill, due to 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 \$62.47 (29,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Lanuto-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**Lillian Lynch, Norwick Dr.** – Requesting relief of utility bill, due to outside faucet 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 \$95.64 (32,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Diane Vitale, Stony Point Dr.** – Requesting relief of utility bill, due to water 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 \$267.80 (56,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Lanuto-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

**Nicholas Gorda, South River 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. Miklosey to grant a credit adjustment on the sewer charges in the amount of \$442.76 (79,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Lanuto-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Ann Mozingo, Joseph Ave.** – 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 \$204.50 (39,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Lanuto-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed

**OLD  
BUSINESS**

There was no old business to discuss.

**NEW BUSINESS**

In regards to the turn-off policy, Ms. Busch stated there are a handful of customers that have medical conditions where they must provide the Authority with proof of such medical condition. Rather than they contacting the Authority every quarter, she asked if those customers can provide updated medical information once a year. After discussion on this request, the Board agreed to not go beyond six months.

**PUBLIC BUSINESS/  
COMMENT**

**Regina Discenza, Sunset Drive** – Mrs. Discenza informed the Board that PREIT has sold the Home Depot project to RIOCAN. She asked if the new owners are aware of the Operations Agreement. Mr. Knoeller stated that Agreement is recorded and goes along with the transaction for the deed on the property. Mr. Woolf added the Authority continues to get lab results from Langan engineering.

**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 \$420,012.96 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; Lanuto-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

**ADJOURNMENT**

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

Respectfully submitted,

Michele Kennedy  
Executive Secretary

