

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
JUNE 7, 2017**

Pledge of Allegiance

ROLL CALL

The Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, June 7, 2017 and was called to order at 6:30 p.m. by James Knoeller, Chairman. Other members present were Michael Masciale, Arthur Miklosey, and Alan Baker. Also present were Martin Buckley, attorney; Alan Dittenhofer, engineer; Frank Holman, auditor; Deborah Kramer, office manager; and Edward A. Woolf, executive director.

**“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 May 3, 2017 - A motion was made by Mr. Masciale and seconded by Mr. Miklosey to approve the minutes of the Regular Meeting of May 3, 2017. Roll call vote: Masciale-Yes; Miklosey-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

Closed Session Meeting of May 3, 2017 - A motion was made by Mr. Miklosey and seconded by Mr. Masciale to approve the Closed Session minutes of the Regular Meeting of May 3, 2017. Roll call vote: Miklosey-Yes; Masciale-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

**EXECUTIVE
DIRECTOR'S
REPORT**

Cash Balance Report - Period Ending April 30, 2017- Mr. Woolf summarized the cash balances for period ending April 30, 2017 as follows: Total cash balance for the unrestricted accounts were \$9,460,040.11, with earnings of \$7,437.55. Total cash balance for the restricted accounts held by the trustee were \$5,431,345.36, with earnings of \$1,601.73. Current period interest on the restricted and unrestricted accounts was \$9,039.28. Year-to-date earnings on all interest bearing accounts were \$32,554.08.

OCUA Rate Increase – Mr. Woolf stated the OCUA has informed the Authority they will be increasing their bulk sewage disposal rate by 2%, which means an annual increase to the Authority of \$56,550. He asked the Board their view on whether to absorb the increase or increase the rate schedule. Mr. Knoeller pointed out there were funds appropriated for the purchase of a new dump truck. However, the Authority opted to rehab one of its own trucks. Since the Authority saved money on the purchase of the truck, he recommends the Authority absorb the increase and not increase the rate schedule. The Board concurred.

Resolution 2017-33 – Wells 7 & 8 VFD – Mr. Woolf stated the Authority received bids for the Wells 7 & 8 VFD project. The lowest bidder was Scalfo Electric at \$195,900.00. Since this bid is above what was budgeted for this project, he asked that the bids be rejected. Mr. Knoeller asked if there are any other options available. Mr. Dittenhofer stated there are other options available and will prepare cost factors for the Board's review. A motion was made by Mr. Miklosey and seconded by Mr. Masciale to reject the bids for the Wells 7 & 8 VFD project. Roll call vote: Miklosey-Yes; Masciale-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

Resolution 2017-34 – Accept and Approve 2016 Audit – Mr. Holman provided a brief synopsis of the audit. He indicated there were no comments/recommendation to report. A federal single audit was done this year because the Authority received FEMA funding for the meters. On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2017-34, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Accepting and Approving the Audit Ending Fiscal Year December 31, 2016*. Roll call vote: Masciale-Yes; Miklosey-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

BUSINESS REPORT

The business report was submitted for review.

ENGINEER'S REPORT

Well 7 & 8 VFD – Mr. Dittenhofer stated this bid has been rejected. He will do research on other options available and come back to the Board with some recommendations.

Fairview Lane Sanitary Improvements – Mr. Dittenhofer stated a Notice to Proceed was issued May 15, 2017.

ATTORNEY'S REPORT

Well 7 & 8 Bid – Mr. Buckley stated his office reviewed the bid documents and prepared a Resolution for consideration by the Authority.

2017 Bond Refunding – Mr. Buckley stated a meeting will be held within the next few weeks with Bond Counsel, Financial Advisor, Underwriter and Auditor to be ready to refund the Bonds in or about August 2017.

AUDITOR'S REPORT

Accountant's Status Report – Month Ended April 30, 2017 – Mr. Holman reported sewer revenue had an unfavorable variance for the month and year-to-date, but favorable on water for the month and year-to-date. Sewer expenses had a favorable variance for the month and year-to-date, but unfavorable on water for the month. User charges on both water and sewer had an unfavorable variance for the month.

Mr. Knoeller asked Mr. Woolf to contact the Township for them to provide an update on how many homes in town are unoccupied, in foreclosure, etc. He would like to see the comparison of vacant homes to actual consumers.

In regards to appointing an underwriter for the refunding of the bonds, Mr. Holman stated Bond Counsel recommends Powell Capital Markets, and he agrees with their recommendation. He stated the Authority will save approximately \$200,000 a year in the first five or six years of the refunding of the bond. In regards to the underwriter's fee, five proposals were reviewed and each one had a different approach to it. The best fee will be negotiated and presented to the Board. A motion was made by Mr. Miklosey and seconded by Mr. Masciale to appoint Powell Capital Markets as the Authority's underwriter, subject to review and approval by the finance committee approving terms and payment. Roll call vote: Miklosey-Yes; Masciale-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

CORRESPONDENCE

Mr. & Mrs. Moller, Sandy Hood Drive – Requesting relief of utility bill, due to leaky expansion tank in crawl space. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to grant a credit adjustment on the sewer charges in the amount of \$842.18 (127,000 gallons). Roll call vote: Masciale-Yes; Miklosey-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

SeaBreeze at Lacey – Requesting relief of utility bill, due to filling community pool. Based on the information provided, a motion was made by Mr. Miklosey and seconded by Mr. Masciale to grant a one-time adjustment in the amount of \$1,429.10 (203,000 gallons). Roll call vote: Miklosey-Yes; Masciale-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

Anthony Peterpaul, Montauk Dr. – Requesting relief of utility bill, due to broken water meter. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to grant a credit adjustment on the sewer charges in the amount of \$246.64 (61,000 gallons). Roll call vote: Masciale-Yes; Miklosey-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

Paul Hogan, Elwood St. – Requesting relief of utility bill, due to use of irrigation without auxiliary meter. Based on the information provided, a motion was made by Mr. Miklosey and seconded by Mr. Masciale to grant a credit adjustment on the sewer charges in the amount of \$769.92 (117,000 gallons). Roll call vote: Miklosey-Yes; Masciale-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

NEW BUSINESS

There was no new business to discuss.

OLD BUSINESS

There was no old business to discuss.

**PUBLIC BUSINESS/
COMMENT**

Gavin Rozzi, Lakeview Court – Mr. Rozzi was present to bring to the Authority's attention that the meeting minutes have not been updated on the LMUA website. Mr. Knoeller stated the website will be updated.

**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 \$107,843.85 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; Baker-Yes; Knoeller-Yes. Motion passed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 6:50 p.m.

Respectfully submitted,

Michele Kennedy
Executive Secretary