

**LACEY MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING  
SEPTEMBER 6, 2017**

Pledge of Allegiance

**ROLL CALL**

The Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, September 6, 2017 and was called to order at 6:30 p.m. by James Knoeller, Chairman. Other members present were Michael Masciale, Arthur Miklosey, Ralph Lanuto, Alan Baker and Paul DeNicola. Also present were Jerry Dasti, attorney; John LeCompte, engineer; Brian Waldron, auditor; Deborah Kramer, office manager; 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.

**Public Official Training** – Mike Avalone from MEL/JIF conducted a training session for the commissioners that will reduce the LMUA’s liability premium by \$250.00 for each commissioner attending the training.

**APPROVAL  
OF MINUTES**

**Regular Meeting of August 2, 2017** - A motion was made by Mr. Miklosey and seconded by Mr. Lanuto to approve the minutes of the Regular Meeting of August 2, 2017. Roll call vote: Miklosey-Yes; Lanuto-Yes; Baker-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**OTHER  
BUSINESS**

**Bond Refunding** – James Fearon, the Authority’s bond counsel, provided a presentation to the Board regarding the processes of refunding the 2003A and 2007 Series Water Bonds. He stated on August 2<sup>nd</sup> the Authority passed a supplemental bond Resolution, which authorized the issuance of up to \$14.5 million refunding between the two bonds. The purpose of the transaction is to achieve savings.

Mr. Fearon explained the Resolution to be voted on approves a series of documents. There is a Bond Purchase Contract, which is the mechanism by which bonds are sold to the underwriter, Powell Capital Markets. There is a Preliminary Official Statement, which will be converted into a Final Official Statement. This statement is the offer document by which you go out to the public to buy said bonds. Basically, it is a story about the Authority and its financials, Townships financials, etc. The Resolution also authorizes the Continuing Disclosure Agreement. This is a requirement of the Securities and Exchange Commission. Basically, it is a commitment that periodic updates are provided to investors regarding financial information such as annual audits, annual updates of tables of information, bankruptcies, etc. There is an Escrow Deposit Agreement, which is a trust document that says we issue these bonds and put it aside until the prior bond issues can be called off the market. The final document is an Approval of Reserve Policy. This document is a reserved account insurance policy. Mr. Fearon explained what is typical in an Authority bond issue is the use of a debt service reserve fund. A debt service reserve fund is a batch of money that sits with the trustee and in the event periodic debt service payments are not made the trustee has a place to go for the first payment. It is an alternative to borrowing the money by giving the option of purchasing an insurance policy.

Mr. Fearon stated the executive director will be delegated by the Authority to approve the final pricing terms. A sale date will be picked and the prospectus document will be sent to the market.

**Resolution 2017-50 – Refunding of Bonds (Series 2017)** - On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2017-50, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Authorizing Acquisition of a Debt Service Reserve Surety Policy and Providing for Other matters in Connection Therewith*. Roll call vote: Masciale-Yes; Miklosey-Yes; Baker-Yes; Lanuto-Yes; Knoeller-Yes. Motion passed.

## **EXECUTIVE DIRECTOR'S REPORT**

**Cash Balance Report - Period Ending July 31, 2017-** Mr. Woolf summarized the cash balances for period ending July 31, 2017 as follows: Total cash balance for the unrestricted accounts were \$9,444,983.80, with earnings of \$4,880.90. Total cash balance for the restricted accounts held by the trustee were \$6,052,976.90, with earnings of \$2,744.68. Current period interest on the restricted and unrestricted accounts was \$7,625.58. Year-to-date earnings on all interest bearing accounts were \$60,171.92

**Resolution 2017-45 – Renewal of Membership – New Jersey Joint Insurance Fund -** On recommendation by the executive director, a motion was made by Mr. Miklosey and seconded by Mr. Masciale to adopt *Resolution 2017-45, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Renewal of Membership in the New Jersey Utility Authorities Joint Insurance Fund*. Roll call vote: Miklosey-Yes; Masciale-Yes; Baker-Yes; Lanuto-Yes; Knoeller-Yes. Motion passed.

**Resolution 2017-46 – Award of Contract – Repairs and Maintenance** - On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Miklosey to adopt *Resolution 2017-46, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Award of Non-Fair and Open Contract for Repairs and Maintenance, Derstine Company, LLC* in an amount not to exceed \$40,000.00. Roll call vote: Masciale-Yes; Miklosey-Yes; Baker-Yes; Lanuto-Yes; Knoeller-Yes. Motion passed.

**Administration Property** – Mr. Dasti recommended this be discussed in closed session.

**Water and Sewer Budget** – Mr. Woolf stated a finance committee meeting will be scheduled within the next few weeks to review the 2018 water and sewer budget.

## **BUSINESS REPORT**

The business report was submitted for review.

## **ENGINEER'S REPORT**

**Resolution 2017-48 – Performance Guarantee Reduction – Water and Sewer Systems – Sea Breeze at Lacey – Section 2, Phase 2E** – Mr. LeCompte reported the water and sewer system for Phase 2E, Section 2 has successfully passed the testing requirements, and all construction items are complete. Therefore, his office recommends a Performance Guarantee reduction. A motion was made by Mr. Miklosey and seconded by Mr. Masciale to adopt *Resolution 2017-48, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Performance Guarantee Reduction, Water and Sewer Systems, Toll Brothers, Sea Breeze at Lacey, Phase 2E, Section 2, Ambermist Way, Holbrooke Drive & Marque Street, Blocks 1901.17, 1901.18, 1901.21, 1901.26, Various Lots*. Roll call vote: Miklosey-Yes; Masciale-Yes; Baker-Yes; Lanuto-Yes; Knoeller-Yes. Motion passed.

**Well 7 & 8 VFD** – Mr. LeCompte stated his office is preparing specifications for reduced pump size.

**Fairview Lane Sanitary Improvements** – Mr. LeCompte stated the sewer replacement is underway.

**New Administration Building** – Mr. LeCompte stated preliminary water and sewer design is being prepared. Outbound survey of property is also being prepared. Mr. Knoeller asked that this survey be completed as soon as possible.

Mr. Knoeller stated once the final draft of the design of the building is complete, he would like to go out for bids for the sewer lines. Water will be done in-house. A motion was made by Mr. Masciale and seconded by Mr. Miklosey to advertise and receive bids for the installation of sewer line to the new site. Roll call vote: Masciale-Yes; Miklosey-Yes; Baker-Yes; Lanuto-Yes; Knoeller-Yes. Motion passed.

Mr. Knoeller referred to the site map for the new administration building. He stated there is a piece of property owned by the Township next to property owned by the LMUA. In order for there to be enough land for construction of a new administration building, he asked Mr. Juliano to discuss with the Township Committee the possibility

of them donating to the LMUA their piece of property for construction purposes. If approved, and upon completion of construction, the LMUA will vacate and turn over the present administration building to the Township, as well as extending the water and sewer service to both lots being used for the new construction as well as to the Township owned land east of the proposed site.

Mr. Knoeller asked Mr. Dasti to prepare the deed. He stressed that this project must be completed within 24 months.

In regards to the lease of the existing administration building, Mr. Knoeller asked that it be extended until time of occupancy of the new administration building. Mr. Dasti took note of this request and closed session is no longer necessary.

## **ATTORNEY'S REPORT**

**Toll Brothers/Seabreeze** – Mr. Dasti stated his office reviewed correspondence regarding the Performance Bonds.

**2017 Bond Refunding** – Mr. Dasti stated a meeting was held in regard to the Refunding Bond Sale. The timetable has been provided to the Executive Director and the Finance Committee.

## **AUDITOR'S REPORT**

**Accountant's Status Report – Month Ended July 31, 2017** – Mr. Waldron reported sewer and water revenues had a favorable variance for the month and year-to-date. Sewer and water expenses had a favorable variance for the month and year-to-date. Sewer and water user charges had an unfavorable variance for the month and year-to-date.

## **CORRESPONDENCE**

**Maria Meredith, Norwood Street** – Requesting relief of utility bill, due to irrigation pipe leak. Based upon the information provided, an adjustment to the account could not be supported.

**Dana Schadle, Drew Ave.** – Requesting relief of utility bill, due to irrigation system leak. Based upon the information provided, an adjustment to the account could not be supported.

**Mr. & Mrs. D'Amato, Gannet Court** – Requesting relief of utility bill, due to pipe leak to dock. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Masciale and Mr. Miklosey to grant a credit adjustment on the sewer charges in the amount of \$168.36 (40,000 gallons). Roll call vote: Masciale-Yes; Miklosey-Yes; Baker-Yes; Lanuto-Yes; Knoeller-Yes. Motion passed.

**Denise Masanko, Station Dr.** – Requesting relief of utility bill, due to broken pipe in garage. Since the water from the leak did not go into the sewer system, 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 \$44.52 (20,000 gallons). Roll call vote: Miklosey-Yes; Masciale-Yes; Baker-Yes; Lanuto-Yes; Knoeller-Yes. Motion passed.

**Mr. & Mrs. Moller, Sandy Hook 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. 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; Lanuto-Yes; Knoeller-Yes. Motion passed.

**Therese Kyriss, Twin River 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. Miklosey and seconded by Mr. Masciale to grant a credit adjustment on the sewer charges in the amount of \$84.20 (30,000 gallons). Roll call vote: Miklosey-Yes; Masciale-Yes; Baker-Yes; Lanuto-Yes; Knoeller-Yes. Motion passed.

**Mr. & Mrs. Stellas, Sommerell Ave.** – Requesting relief of utility bill, due to high usage from irrigation system. Based upon the information provided, an adjustment to the account could not be supported.

**Mr. & Mrs. Brockelbank, Parker Ave.** - Requesting relief of utility bill, due to broken sewer pipe. Based upon the information provided, an adjustment to the account could not be supported.

**Salvatore DeSimone, Twin River Dr.** – Requesting relief of utility bill, due to leaky pipe in crawl space. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Miklosey and seconded by Mr. Lanuto to grant a credit adjustment on the sewer charges in the amount of \$1,974.10 (263,000 gallons). Roll call vote: Miklosey-Yes; Lanuto-Yes; Baker-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**Lacey Car Wash, N. Main St.** - Requesting relief of utility bill, due to broken recycle pump. Based upon the information provided, an adjustment to the account could not be supported.

**Mr. & Mrs. Copes, Leanne Ct.** – Requesting relief of utility bill, due to filling pool without meter. Based upon the information provided, an adjustment to the account could not be supported.

**NEW  
BUSINESS**

There was no new business to discuss.

**OLD  
BUSINESS**

**Resolution 2017-49 – Appointing Authority Architect** – A motion was made by Mr. Miklosey and seconded by Mr. Masciale memorializing action taken August 2, 2017 appointing Thomas Lanuto as Authority Architect in an amount not to exceed \$17,500.00. Roll call vote: Miklosey-Yes; Masciale-Yes; Baker-Abstain; Lanuto-Abstain; Knoeller-Yes. Motion passed.

**Resolution 2017-47 – Sale of Personal Property** – Vice Chairman Masciale executed Resolution 2017-47, authorizing the sale of personal property not needed for public use.

**PUBLIC BUSINESS/  
COMMENT**

There was no public business/comment.

**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 \$146,217.94 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; Lanuto-Yes Knoeller-Yes. Motion passed.

**ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 7:10 p.m.

Respectfully submitted,

Michele Kennedy  
Executive Secretary