

**LACEY MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING  
NOVEMBER 6, 2019**

Pledge of Allegiance

**ROLL CALL**

A Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, November 6, 2019 and was called to order at 6:30 p.m. by Michael Masciale, Vice Chairman. Other members present were Jack Nosti, Alan Baker and Paul DeNicola. Also present were Chris Connors, attorney; Alan Dittenhofer, engineer; Brian Waldron and Kevin Frenia, auditors; Deborah Kramer, office manager. Nick Juliano, Lacey MUA/Township Committee Liaison also attended the meeting.

**“SUNSHINE  
LAW”  
STATEMENT**

Mr. Masciale 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 2, 2019** - A motion was made by Mr. Nosti and seconded by Mr. Baker to approve the minutes of the Regular Meeting of October 2, 2019. Roll call vote: Nosti-Yes; Baker-Yes; DeNicola-Yes; Masciale-Yes. Motion passed.

**EXECUTIVE  
DIRECTOR'S  
REPORT**

**Cash Balance Report - Period Ending September 30, 2019** – On behalf of Mr. Woolf, Mrs. Kramer summarized the cash balances for period ending September 30, 2019 as follows: Total cash balance for the unrestricted accounts were \$10,092,724.80, with earnings of \$13,360.17. Total cash balance for the restricted accounts held by the trustee were \$5,511,713.78, with earnings of \$9,570.88. Current period interest on the restricted and unrestricted accounts was \$23,201.05. Year-to-date earnings on all interest bearing accounts were \$199,235.12.

**Water Treatment Chemicals 2020** – On behalf of Mr. Woolf, Mrs. Kramer requested authorization to advertise and receive bids for water treatment chemicals 2020. A motion was made by Mr. Nosti and seconded by Mr. Baker authorizing the advertisement to receive bids for water treatment chemicals 2020. Roll call vote: Nosti-Yes; Baker-Yes; DeNicola-Yes; Masciale-Yes. Motion passed.

**Water Meters and MXUs 2020** – On behalf of Mr. Woolf, Mrs. Kramer requested authorization to advertise and receive bids for water meters and MXUs 2020. A motion was made by Mr. Nosti and seconded by Mr. DeNicola authorizing the advertisement to receive bids for water meters and MXUs. Roll call vote: Nosti-Yes; DeNicola-Yes; Baker-Yes; Masciale-Yes. Motion passed.

**Amend 2019 Sewer Budget** – Mr. Masciale explained the amendment is due to OCUA increase of \$157,000.00, which was due to high rain fall for the most part. A motion was made by Mr. Nosti and seconded by Mr. DeNicola authorizing the amendment of the 2019 sewer budget. Roll call vote: Nosti-Yes; DeNicola-Yes; Baker-Yes; Masciale-Yes. Motion passed.

## **BUSINESS REPORT**

The business report was submitted for review.

## **ENGINEER'S REPORT**

**New Administration Building** – Mr. Dittenhofer stated construction of the administration building is complete. A CO was issued by the Township, however, punch list items still remain with the contractor for final Ocean County Soils approval.

**Sanitary Sewer Clean and Televis** – Mr. Dittenhofer stated a Notice to Proceed was issued on September 12<sup>th</sup>. Work began on October 21<sup>st</sup>.

Mr. Dittenhofer distributed a map outlining the locations where sewer cleaning and televising were done. He explained there was an issue while televising the 18” DIP gravity sewer main at the Nautilus Boulevard to Oak Street location. It was discovered the sewer main has tuberculosis in the pipeline, which is restricting the flow and is operating like a 6-8” diameter pipe. Additionally, an inspection of the sewer manholes reveal they are in poor condition. These issues need to be addressed as soon as possible. To correct these issues, Mr. Dittenhofer stated there is a contractor on-site now descaling the 18” pipe from Nautilus Blvd. to Oak Street, and he will ultimately line it in addition to putting a line in Oak Street to improve the integrity of that pipe line.

Mr. Dittenhofer stated his office prepared costs estimates to do additional work. This work can be done as an emergency declaration, negotiated bid, or at the normal bid process. He stated he is concerned with the timing should the Authority go with the normal bid process since it would take at least 60-90 days before a notice to proceed is issued. He looked at the issue from a couple of standpoints. Since there is already a contractor that is mobilized at the site, he can perform the work that is needed. His price per liner foot to line both the concrete pipe portion and ductal iron portion is approximately \$75.00/foot, which is an average price. The descaling would be \$4,000/day, with a cost estimation of between \$200 and \$400 thousand dollars. The cost for lining the concrete pipe at Oak Street is approximately \$36,000.00. With the descaling the ductal iron pip from Nautilus Blvd. to Oak St. the lining of that pips is \$75.00/foot for \$303,000.00, in addition to addressing the manholes.

Mr. DeNicola asked would customers on the North side of Route 9 not have sewer service should the pipes fail. Mr. Dittenhofer it would be serviced with a bypass

pumping station, however, it would take a lot of logistics to make that happen at extra cost.

Mr. Masciale stated it is his understanding that an emergency declaration would depend upon if the issue affects health, property and safety. If it does not then you have to go through the normal bidding process. Mr. Nosti stated what concerns him about the emergency declaration is there is no telling what it will cost the Authority, and the normal bidding process could take up to 60-90 days and the weather could impact getting the job done. This issue needs to be addressed as soon as possible.

Mr. Nosti stated another option would be a negotiated bid. This will give the Authority a negotiated price for the project and the contractor can start immediately. Since there is presently a contractor on site, and was the lowest bidder for the cleaning and televising sewer project, he recommends negotiating a bid with that contractor as opposed to waiting 60-90 days for the bid process.

Mr. Dittenhofer stated if the Authority should go with a negotiated bid, in accordance with Public Contracts Law, *“any contract the amount of which exceeds the bid threshold, may be negotiated and awarded by the governing body without public advertising for bids and bidding therefore and shall be awarded by Resolution of the governing body if the subject matter thereof consists of the provision of a wastewater treatment system as defined in subsections of Public Contract Law as structures used for the collection of wastewater”*. Mr. Nosti stated a special meeting can be held to discuss further.

Mr. Masciale asked how a negotiated bids differ from the regular bidding process – what are the benefits of a negotiated bid. Mr. Dittenhofer stated a meeting would be held with the attorney, engineer and contractor and a contract would be put together. Mr. Masciale asked would it be a form of an emergency. Mr. Dittenhofer stated it is not declared an emergency. Under local public contracts for water and sewer projects there is an exception that you can go out to a negotiated bid. Mr. Connors stated it reflects the emergent need to have work done because the nature of the work being sewer and water.

Mr. DeNicola asked if Mr. Dittenhofer recommends this project be done right away. Mr. Dittenhofer stated as soon as it can. He is concerned about the time of year where sewer flows are at the lowest. If it is pushed too far ahead then you are getting into spring where the flow increases.

Mr. Connors stated Mr. Dasti received an email in regard to the project and his opinion is he does not agree that the contract should be a negotiated bid, adding it should only take an additional month to prepare the specifications for the normal bid protocol. It is his opinion in reviewing the information this should be done through competitive bidding as opposed to negotiated bid or otherwise.

Mr. Nosti stated it would be beneficial to the Authority, in terms of cost, by doing the job this time of year than a month or two from now, due to it being colder and productivity is down. Mr. Connors stated there is an argument to be created that if it were just a situation where it is a seasonal convenience and additional cost, those are not the parameters in determining whether an emergency exists.

Mr. Masciale asked if this decision could wait until the next meeting, or hold a special meeting. Mr. Nosti recommends having a special meeting. If you wait another 30 days that takes away the wisdom of going with a negotiated bid. The idea of going with a negotiated bid is to try to start the project as soon as possible. Mr. Masciale asked Mr. Connors his opinion. Mr. Connors stated he does not think it meets the parameters of an emergency. A negotiated aspect reflects that there are emergent conditions from time to time and the legislature has carved out the ability to negotiate.

Mr. Nosti recommends going with the negotiated bid. Mr. DeNicola noted the Authority's engineer says the problem should be taken care of as soon as possible. Mr. Masciale stated he would like to see the negotiated bid contract and discuss it with Mr. Knoeller and Mr. Woolf. Mr. Nosti noted the negotiated bid does not have to be accepted.

A motion was made by Mr. DeNicola and seconded by Mr. Nosti to call for a negotiated bid and special meeting to discuss this issue further. DeNicola-Yes; Nosti-Yes; Baker-Yes; Masciale-Yes. Motion passed.

#### **ATTORNEY'S REPORT**

**Exelon/Holtec Corp.** – Mr. Connors stated his office spoke with a representative of Holtec. The representative has indicated that at this point any reimbursement agreement is on hold. Mr. Connors pointed out they need water for the new building which is a requirement for the decommissioning of the Oyster Creek Nuclear Plant. His office will continue to contact Holtec in this regard. Mr. Dittenhofer pointed out Holtec's preliminary approval is conditioned upon them applying for tentative and final approvals. In order for them to secure building permits for the security building they need to apply for Authority approvals.

#### **AUDITOR'S REPORT**

**Accountant's Status Report – Month Ended September 30, 2019** – Mr. Waldron reported water and sewer 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 a favorable variance for the month.

**Resolution 2019-44 – Approve 2020 Sewer and Water Budget** – A motion was made by Mr. Nosti and seconded by Mr. DeNicola to adopt Resolution 2019-44, approving the 2020 sewer and water budget. Roll call vote: Nosti-Yes; DeNicola-Yes; Baker-Yes; Masciale-Yes. Motion passed.

**Resolution 2019-44a – Submitting 2020 Sewer and Water Budget** – A motion was made by Mr. Nosti and seconded by Mr. DeNicola to adopt Resolution 2019-44a, submitting the 2020 sewer and water budget. Roll call vote: Nosti-Yes; DeNicola-Yes; Baker-Yes; Masciale-Yes. Motion passed.

## CORRESPONDENCE

**Mr. & Mrs. Cooke, Colgate Avenue** – Requesting relief of utility bill, due to sprinkler system leak. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Nosti and seconded by Mr. Baker to grant a one-time credit adjustment on the sewer charges in the amount of \$344.80 (43,000 gallons). Roll call vote: Nosti-Yes; Baker-Yes; DeNicola-Yes; Masciale-Yes. Motion passed.

**Stephen Maschefzky (tenant: Scott), Barnacle Rd.** – Requesting relief of utility bill, due to hose bib being left on. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Nosti and seconded by Mr. Baker to grant a credit adjustment on the sewer charges in the amount of \$726.72 (108,000 gallons). Roll call vote: Nosti-Yes; Baker-Yes; DeNicola-Yes; Masciale-Yes. Motion passed.

**Carolos Solis, Quail Ln.** – Requesting relief of utility bill, due to water line leak to kitchen. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Nosti and seconded by Mr. DeNicola to grant a credit adjustment on the sewer charges in the amount of \$98.30 (19,000 gallons). Roll call vote: Nosti-Yes; DeNicola-Yes; Baker-Yes; Masciale-Yes. Motion passed.

**Margaret Wright, Frog Hollow Rd.** – Requesting relief of utility bill, due to defective hose bib. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Nosti and seconded by Mr. Baker to grant a credit adjustment on the sewer charges in the amount of \$883.58 (134,000 gallons). Roll call vote: Nosti-Yes; Baker-Yes; DeNicola-Yes; Masciale-Yes. Motion passed.

**Robert Lerner, Brentwood Pl.** – Requesting relief of utility bill, due to ruptured garden hose. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Nosti and seconded by Mr. DeNicola to grant a credit adjustment on the sewer charges in the amount of \$299.18 (56,000 gallons). Roll call vote: Nosti-Yes; DeNicola-Yes; Baker-Yes; Masciale-Yes. Motion passed.

**Barbara Smith, Haines St.** – Requesting relief of utility bill, due to leaking water bib. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Nosti and seconded by Mr. DeNicola to grant a credit adjustment on the sewer charges in the amount of \$136.20 (46,000 gallons). Roll call vote: Nosti-Yes; DeNicola-Yes; Baker-Yes; Masciale-Yes. Motion passed.

**Walter Krzastek, Jersey City Ct.** – Requesting relief of utility bill, due to unexplained usage. Since there is no evidence to support the excessive usage, the Board was unable to adjust the account.

**Jarrold Verge, Fox Hollow Dr.** – Requesting payment plan to pay utility bill. A motion was made by Mr. Nosti and seconded by Mr. DeNicola to offer a payment plan to pay outstanding utility bill. Roll call vote: Nosti-Yes; DeNicola-Yes; Baker-Yes; Masciale-Yes. Motion passed.

**Filomena Jeklinski, Montauk Dr.** – Requesting relief of utility bill, due to broken pipe. Since the water from the leak did not go into the sewer system, a motion was made by

Mr. DeNicola and seconded by Mr. Nosti to grant a credit adjustment on the sewer charges in the amount of \$94.92 (34,000 gallons). Roll call vote: DeNicola-Yes; Nosti-Yes; Baker-Yes; Masciale-Yes. Motion passed.

**Lucielle Seibert/Ceriello, Tufts Ct.** – Requesting relief of utility bill, due to leak in basement. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Nosti and seconded by Mr. Baker to grant a credit adjustment on the sewer charges in the amount of \$325.82 (67,000 gallons). Roll call vote: Nosti-Yes; Baker-Yes; DeNicola-Yes; Masciale-Yes. Motion passed.

**Michael Hein, Oak Lane** – Requesting relief of utility bill, due to watering lawn without irrigation meter. A motion was made by Mr. Nosti and seconded by Mr. DeNicola to grant a one-time adjustment in the amount of \$113.40 (27,000 gallons). Roll call vote: Nosti-Yes; DeNicola-Yes; Baker-Yes; Masciale-Yes. Motion passed.

**Anthony Paukovitz, Sarwick Lane** – Requesting relief of utility bill, due to watering lawn without irrigation meter. A motion was made by Mr. DeNicola and seconded by Mr. Nosti to grant a one-time adjustment in the amount of \$72.10 (11,000 gallons). Roll call vote: Nosti-Yes; DeNicola-Yes; Baker-Yes; Masciale-Yes. Motion passed.

**OLD  
BUSINESS**

There was no old business to discuss.

**NEW  
BUSINESS**

There was no new business to discuss.

**PUBLIC BUSINESS/  
COMMENT**

A township resident asked what the cause of receiving a corrected utility bill. Mrs. Kramer explained the computer system picked up a cycle 2 sewer read, which was the cause of having to correct the bills.

**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 \$279,725.76 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. DeNicola to adopt the above Resolution. Roll call vote: Nosti-Yes; DeNicola-Yes; Baker-Yes; Masciale-Yes. Motion passed.

**ADJOURNMENT**      There being no further business to discuss, the meeting was adjourned at 7:15 p.m.

Respectfully submitted,

Michele Kennedy  
Executive Secretary