

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
MAY 1, 2024**

Pledge of Allegiance

ROLL CALL

The Regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, May 1, 2024 and was called to order at 6:00 p.m. by James Knoeller, Chairman. Other members present were Michael Masciale, Ralph Lanuto, Alan Baker, Karen MacArthur and Jeff Nilon. Also present were Evan Jansen, auditor; Troy Dittenhofer and Trace Dittenhofer, engineers; Chris Dasti, Esq., attorney; 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 April 3, 2024 - A motion was made by Mr. Masciale and seconded by Mr. Lanuto to approve the minutes of the Regular Meeting of April 3, 2024. Roll call vote: Masciale-Yes; Lanuto-Yes; MacArthur-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

NJDEP Notice of Non-Compliance – Mr. Woolf offered a response to the notice of non-compliance from the State of New Jersey regarding the drinking water that Lacey customers received in the mail. He explained the LMUA received a notice of non-compliance on March 27, 2024 from the State. The violation, according to the State, began in September of 2023. The Authority was not notified until six (6) months later.

The Authority was required to mail out the public notice to customers using the NJDEP’s mandatory language, and the Authority was not allowed to explain what had occurred. The violation was for not meeting the NJDEP’s newly established Water Quality Parameters (PH Levels) in its distribution system for the July 1, 2023 to December 31, 2023 monitoring period. The optimum range for PH levels had been 6.5-8.5 for greater than 30 years until it was recently changed to a range of 7.0 - 8.0. The NJDEP still lists the optimum PH range as 6.5- 8.5 on their website to this day. (See

exhibit A). Exhibit A shows language from the State's website entitled *Federal and NJ State Primary and Secondary Drinking Water Standards as of June 2020 for PH the optimum range as being 6.5 to 8.5*.

The LMUA hired a contracted laboratory to collect the Water Quality Parameters samples for PH and Alkalinity in its distribution system. The laboratory was hired because LMUA was not equipped to perform Alkalinity testing in the distribution system. The lab collected the 20 required samples on 9/12/23 and 12/12/23 and some of them were less than 7.0 PH. The lowest level detected was 6.8. It is important to note that contaminants were not detected in regard to this Notice of Non-Compliance.

The LMUA measures PH levels at its Water Treatment Plants twice per day utilizing a PH meter which is calibrated daily using PH buffer solutions 4, 7, and 10. The LMUA also measures PH levels in its distribution system twice per month using a fielded PH probe which is calibrated before each use. The Lacey MUA tested for PH on the same day, and many of the same locations on 9/12/23 and 12/12/23 as the contracted laboratory and all of the results were in compliance with the new Water Quality Parameter PH range of 7.0-8.0 (See exhibits B and C). Exhibit B shows the report to the State for Water Treatment Plant #2 for September 2023 day 12 the PH levels were 7.7 , 7.9. The report for December 2023 day 12 the PH levels were 7.3, 7.6. All of these values are in compliance with the new water quality parameter for PH levels. Exhibit C shows on September 12, 2023 and December 12, 2023, the contract laboratory collected their samples and the LMUA collected samples. The contracted laboratory collected 10 and the LMUA collected 15. The majority of the values were below 7 for the September 12, 2023 for the contract laboratory, and all of the LMUA samples were between the ranges of 7.0 to 8.0. On December 12, 2023 the contract laboratory had 2 tests that were below the required range at 6.9, the LMUA collected 15 samples and all were within the 7-8 PH range.

It is important to note the LMUA is only required by the NJDEP to take 20 PH samples every 6 months in its distribution system. The LMUA takes 30 samples each month or 180 samples every 6 months voluntarily to ensure that the drinking water is safe. The LMUA is taking nine times the required samples and all are in compliance.

After reviewing the sample results that the LMUA tested at its Water Treatment Plant and in the Distribution System, the LMUA is confident of always being in compliance with the NJDEP's water quality parameters (PH levels). The LMUA does not believe the results submitted by the contracted laboratory were accurate. The LMUA is requesting that NJDEP rescind the Notice of Non-Compliance based on the LMUA's test results.

The safety of Lacey Township's drinking water is paramount and we do not take that responsibility lightly.

Public Comment:

Mary Kate McDonald – Ms. McDonald asked if samples are taken in different areas of town and is it done by the independent contracted laboratory. She also asked if the samples are taken at public or private locations. Mr. Woolf stated the independent laboratory takes 20 samples every 6 months at 10 different locations twice in a 6 month

period. The LMUA is taking 30 samples every month, which is greater than what the contracted laboratory takes. He added that the samples are taken at both public and private locations.

Gina Marie Romoe – Ms. Romoe asked if the LMUA is testing for PFA's and PFO's, and how often is it done. Mr. Woolf stated testing is done for PFA's and PFOs, and results were non-detected. Testing was done on two separate events in 2023. Ms. Romoe asked prior to those dates was there active testing for PFA's and PFO's. Mr. Woolf stated it is a new regulation that was required in 2023 - it will be tested again in 2024. Mr. Knoeller pointed out a lot of PFOs were detected in water systems where they were using surface water from reservoirs. The LMUA has two deep water wells 1500 feet deep and there is no way contaminants can get down into the head of those wells. It's a greater risk for companies that are using surface water versus deep water wells.

Steven Sauter – Mr. Sauter asked what the relevance of lead and copper to PH. Mr. Woolf explained PH is an indicator of acidity or alkalinity in the drinking water. If the water becomes too acidic the fear is that lead could leach onto pipes in older homes with leaded pipes if you do not have the correct PH. Lead and copper was not detected in the system. Mr. Sauter asked why the LMUA wasn't notified immediately when it fell out of compliance with the State. Mr. Woolf stated the LMUA was not aware of being out of compliance until March 27, 2024. The public was notified thereafter. Mr. Knoeller pointed out the contracted laboratory that took the test which said the LMUA was out of compliance never notified the LMUA since they thought the LMUA was in compliance. They were going by the 6.5-8.5 parameters in the test. Their report was sent to the State, and after six months the State notified the LMUA of not being in compliance. Mr. Sauter stated it should be concerning why the State did not notify the LMUA about their findings sooner. Mr. Dasti stated a letter was sent to the NJDEP stating the LMUA is disputing their findings and if it was such a concern they should have notified the LMUA sooner. Mr. Sauter asked if there is a possibility that a State representative attend a future LMUA meeting. Mr. Dasti stated we can ask.

Sue LoBello – Ms. LoBello asked what kind of corrosion control treatment is being used. Mr. Woolf stated lime (calcium oxide) is used. It is mixed in the water tanks and injected into the water system, which raises the PH and alkalinity. Basically, it coats the inside of the pipes so that no lead or copper can be leached off the pipes into the drinking water.

News 12 New Jersey – A reporter from News 12 New Jersey was present to ask questions on behalf of residents of Lacey. The reporter asked for clarification about brown water coming out of Lacey customer's faucets. Mr. Woolf stated that issue was unrelated to the non-compliance issue. He explained the local fire department was drilling at one of the local schools and they opened a fire hydrant. It stirred up the sediment in the water mains which generated some brown water. The reporter asked why the LMUA uses an outside agency to test for alkalinity. Mr. Knoeller stated the LMUA does not test for alkalinity. The reporter asked the regulation that was changed was it the State's regulation or the independent laboratory. Mr. Knoeller stated the change was the State's regulation, but by their standards.

Customer asked if the independent laboratory, Precision Analytical Services, checks for aluminum and other chemicals. Mr. Woolf stated they test for a number of different parameters.

Customer asked if there is a lead a copper issue. Mr. Knoeller stated no. Lead and copper have not been detected.

Mr. Sauter referred to the letter he received, last sentence of paragraph number 1, which states *we monitor for WQP values per federal regulations*. He asked what the difference between Federal and State guidelines is. Mr. Woolf explained Federal guidelines are handed down to the State and the State must enforce them. Ultimately, all the guidelines come from the EPA. The EPA is in charge of the States making sure all the water companies are in compliance.

Mr. Knoeller stated all information is available for the public.

EXECUTIVE DIRECTOR'S REPORT

Cash Balance Report - Period Ending March 31, 2024 - Mr. Woolf summarized the cash balances for period ending March 31, 2024 as follows: Total cash balance for the unrestricted accounts were \$10,120,676.82 with earnings of \$60,350.06. Total cash balance for the restricted accounts held by the trustee were \$722,524.93, with earnings of \$4,159.49. Current period interest on the restricted and unrestricted accounts was \$64,509.55. Year-to-date earnings on all interest bearing accounts were \$178,386.25.

Resolution 2024-24 – Shared Services Agreement – On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Lanuto to adopt *Resolution 2024-24, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Approving a Shared Services Agreement with the Toms River Municipal Utilities Authority*. Roll call vote: Masciale-Yes; Lanuto-Yes; MacArthur-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

BUSINESS REPORT

The business report was submitted for review.

ENGINEER'S REPORT

Resolution 2024-26 – Amended Preliminary & Tentative Approvals – The Lofts at Lacey - On recommendation by the Authority's engineer, a motion was made by Mr. Lanuto and seconded by Ms. MacArthur to adopt *Resolution 2024-26, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Amended Preliminary & Tentative Sewer and Water Approvals, The Lofts at Lacey, M & T at Lacey, LLC*. Roll call vote: Lanuto-Yes; MacArthur-Yes; Baker-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2024-27 – Performance & Maintenance Bond Release – Cash Bond Release – SeaBreeze at Lacey - On recommendation by the Authority's engineer, a motion was made by Mr. Masciale and seconded by Mr. Lanuto to adopt *Resolution 2024-27, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Performance & Maintenance Bond Release, Cash Bond Release, Sea Breeze at Lacey – Phase 2, 100 Unit Apartment Building*. Roll call vote: Masciale-Yes; Lanuto-Yes; MacArthur-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

Resolution 2024-28 – Release Water Performance Bonds – Accept Maintenance Bond – Antonio Teles - On recommendation by the Authority’s engineer, a motion was made by Mr. Lanuto and seconded by Ms. MacArthur to adopt *Resolution 2024-28, Resolution of the Lacey Municipal Utilities Authority, County of Ocean, State of New Jersey, Release Water Performance Bond, Acceptance of Maintenance Bond, Antonio Teles*. Roll call vote: Lanuto-Yes; Masciale-Yes; MacArthur-Yes; Baker-Abstain; Knoeller-Yes. Motion passed.

Antenna Read and Meter/MXU Replacement I – The installation of both fixed base antenna read systems has been completed and Core and Main has completed the integration of the fixed base system with Lacey MUA’s existing meters. The Authority is currently installing meters under this phase.

Route 9 Water Service – Electrical upgrades to be completed within the vaults and RVE to assist, as necessary.

Holtec Route 9 Service – Holtec has completed the water service installation under Route 9 and has installed meters.

Meter Replacement Phase 2 – Notices have been issued by Vepo and installation shall begin mid-May.

Water Treatment Plant #2 Replacement Generator and Diesel Tank – Automatic transfer switch has been received by the Authority and a delivery date of June 2024 has been provided for the generator.

Water Treatment Plant #1 Expansion – RVE has submitted the conceptual plan to the NJDEP and is waiting for technical comments.

Water Treatment Plant #2 Valve Replacement – Work anticipated to commence Fall of 2024.

ATTORNEY’S REPORT

Antonio Teles – Mr. Dasti reported his office reviewed the closeout documents submitted by the applicant and approved same.

Operations Agreement – Burger King/Chipotle - Mr. Dasti reported his office is in the process of preparing a verified complaint and order to show cause to hold the property owner in violation of the Operations Agreement and compelling reimbursement to the Authority of all costs and fees incurred.

SeaBreeze at Lacey – Mr. Dasti reported his office received the bond closeout documents from the applicant and confirmed same with the Authority’s engineer.

AUDITOR’S REPORT

Accountant’s Status Report – Month Ended March 31, 2024 – Mr. Jansen 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

Mr. & Mrs. Coyte, N. Main Street – Requesting relief of utility bill, due to outside spigot leak. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Masciale and seconded by Mr. Lanuto to grant an adjustment on the sewer charges in the amount of \$1,083.82. Roll call vote: Masciale-Yes; Lanuto-Yes; MacArthur-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

Regina Sowa, Capstan Dr. – Requesting relief of utility bill, due to leaky hot water heater. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Masciale and seconded by Mr. Lanuto to grant an adjustment on the sewer charges in the amount of \$638.78. Roll call vote: Masciale-Yes; Lanuto-Yes; MacArthur-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

Lyle Smith, Haines St. – Requesting relief of utility bill, due to leaky thermal expansion tank. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Masciale and seconded by Mr. Lanuto to grant an adjustment on the sewer charges in the amount of \$1,832.00. Roll call vote: Masciale-Yes; Lanuto-Yes; MacArthur-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

Edward Ruiz, Elwood St. – Requesting relief of utility bill, due to outside spigot leak. Since the water from the leak did not go into the sewer system, a motion was made by Mr. Lanuto and seconded by Ms. MacArthur to grant an adjustment on the sewer charges in the amount of \$338.80. Roll call vote: Lanuto-Yes; MacArthur-Yes; Baker-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Emory Lanier, Bunnell St. – Requesting relief of utility bill, due to leaky hot water heater. Since the water from the leak did not go into the sewer system, a motion was made by Ms. MacArthur and seconded by Mr. Masciale to grant an adjustment on the sewer charges in the amount of \$3,159.20. Roll call vote: MacArthur-Yes; Masciale-Yes; Lanuto-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

OLD BUSINESS

Resolution 2024-25 – Adjustment to Water & Sewer Connection Fees – Resolution 2024-25, approving the adjustments to current water & sewer connection fees was executed.

NEW BUSINESS

Mr. Masciale complimented Mr. Woolf, Mr. Knoeller and Mr. Dasti for doing an outstanding job with the presentation regarding the Authority's response to NJDEP Notice of Non-Compliance issue. Mayor Juliano thanked the Authority for their timely response and resolution to the issue.

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 \$822,827.82 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. Lanuto and seconded by Mr. Masciale to adopt the above resolution. Roll call vote: Lanuto-Yes; Masciale-Yes; MacArthur-Yes; Baker-Yes; Knoeller-Yes. Motion passed.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 6:40 p.m.

Respectfully submitted,

Michele Kennedy
Executive Secretary