

**LACEY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
DECEMBER 2, 2015**

Pledge of Allegiance

ROLL CALL

The regular Meeting of the Lacey Municipal Utilities Authority was held on Wednesday, December 2, 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, Jack Nosti, Ralph Lanuto and Paul DeNicola. Also present were Chris Dasti, attorney; Frank Holman, 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 November 4, 2015 - A motion was made by Mr. Nosti and seconded by Mr. Kennedy to approve the minutes of the Regular Meeting of November 4, 2015. Roll call vote: Nosti-Yes; Kennedy-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

CORRESPONDENCE

Joann Tsarnas, Maple Lane – Ms. Tsarnas was present to request relief of her utility bill, due to unexplained high water usage. Mr. Woolf stated at the last meeting Ms. Tsarnas requested relief on 125,000 gallons, however, there was no indication of a leak. The Authority sent her water meter out for testing and the results came back accurate. Mr. Knoeller explained if there was a leak that did not go down the sewer the Authority could offer relief. If there was no leak found and the meter came back accurate, the Authority cannot legally waive the water charges. Mr. Knoeller recommended a long term payment plan for the charges incurred, without interest. Mr. Woolf stated he will re-inspect her property for issues.

Ms. Tsarnas asked about the tax lien sale. A motion was made by Mr. Nosti and seconded by Mr. Miklosey to contact the Tax Assessor to have the lien pulled until the Authority has an opportunity to resolve this issue and re-inspect the premises. Roll call vote: Nosti-Yes; Miklosey-Yes; Kennedy-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

EXECUTIVE DIRECTOR'S REPORT

Cash Balance Report - Period Ending October 31, 2015 - Mr. Woolf summarized the cash balances for period ending October 31, 2015 as follows: Total cash balance for the unrestricted accounts were \$7,191,767.31, with earnings of \$3,319.66. Total cash balance for the restricted accounts held by the trustee were \$6,987,991.88, with earnings of \$2,861.77. Current period interest on the restricted and unrestricted accounts was \$6,181.43. Year-to-date earnings on all interest bearing accounts were \$43,869.28.

Resolution 2015-61 – Transfer of Funds – 2015 Sewer and Water Budget - On recommendation by the executive director, a motion was made by Mr. Nosti and seconded by Mr. Kennedy to adopt *Resolution 2015-61, 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: Nosti-Yes; Kennedy-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Resolution 2015-58 – Adoption of 2016 Sewer and Water Budgets - On recommendation by the executive director, a motion was made by Mr. Masciale and seconded by Mr. Nosti to adopt *Resolution 2015-58, 2016 Adopted Budget Resolution, Lacey Municipal Utilities Authority, Fiscal Year January 1, 2016 to December 31, 2016*. Roll call vote: Masciale-Yes; Nosti-Yes; Miklosey-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed. Mr. Miklosey asked if the increase in utilities with the new wells was included in the budget. Mr. Woolf stated it was included, in addition to the health benefit contribution for retirees.

BUSINESS REPORT

The business report was submitted for review.

ENGINEER'S REPORT

HMGP – Emergency Generators – Mr. Dittenhofer stated his office has been reviewing the submittals for the additional equipment to be installed at the pump station. He anticipates having all the equipment and generators on site mid-January.

Water Treatment Plant No. 1 Upgrades – Mr. Dittenhofer stated the contractor has a concern with the control valves drying out due to well inactivity. He explained there are leather interiors within those valves. His office will inspect and make sure they are not dried out and are operating properly.

**ATTORNEY'S
REPORT**

Marketing Plan – Mr. Dasti stated his office reviewed the engineer's report regarding the marketing plan. Mayor Quinn is attempting to arrange for a meeting with appropriate representatives of Exelon.

Electrical Upgrades to L-2, S-2, FRB-2 and L-4 Pump Stations – Mr. Dasti stated his office reviewed the contract documents and notice of award.

Marketing Plan – Mr. Knoeller recommended starting a committee meeting to speak with neighboring Mayors regarding the selling of water.

**AUDITOR'S
REPORT**

Accountant's Status Report – Month Ended October 31, 2015 – Mr. Holman reported user charges resulted in an unfavorable variance for the month on sewer, but a favorable variance for the year. Water user charges had a favorable variance for the month, but an unfavorable variance for the year. 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 for the month on both water and sewer.

Connection Fees – Mr. Holman reported his office is recommending an increase on the Authority's sewer and water connection fees. Mr. Knoeller stated presently the sewer connection fee is \$6,470 and the water connection fee is \$1,550. Mr. Holman is recommending the sewer connection fee be increased to \$8,304, and the water connection fee be increased to \$2,024. Mr. Knoeller recommended \$8,000 for water and \$2,000 for sewer. Mr. Holman pointed out that the Authority does not have to charge the maximum chargeable fees.

Mr. Knoeller explained the Authority's connections fees have been carrying the budget, and this increase is to make up for some of the short fall. Mr. Masciale asked how the LMUA stands in comparison to other towns in connection fees. Mr. Holman stated in comparison, the water connection fee is high and sewer is low. However, the reason water is high is Lacey is due to the large infrastructure cost. It has always been a much bigger expenditure than other towns typical of Lacey's size. Additionally, the debt service has accumulated over the years.

Mr. Nosti asked what size services are these fees based on. Mr. Woolf stated the fees are based on a ¾" water service and 4" sewer lateral. Mr. Miklosey stated he would like to know what the fees are for the other water service sizes before voting. Mr. Woolf stated the board can agree to raise the rates, however, a rate hearing will be set up for the January 6th board meeting.

A motion was made by Mr. Masciale and seconded by Mr. Miklosey to authorize a rate hearing on the new rate schedule for the January 6th board meeting. Roll call vote: Masciale-Yes; Miklosey-Yes; Nosti-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

CORRESPONDENCE

Mark Dykoff, Dogwood Lane – 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 \$264.00 (47,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Mr. & Mrs. Smith, Hickory 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 \$88.20 (21,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Sander Levin, Kingston Pl. – 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. Masciale to grant a credit adjustment on the sewer charges in the amount of \$172.78 (38,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Nosti-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

Amy Hyman, Capt. Giglio Way – Requesting relief of utility bill, due to water meter 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 and water charges in the amount of \$123.74 (23,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Paul Miller, Driftwood Lane – 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 \$68.40 (19,000 gallons). Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Darrin Marasco, Boat Road – Requesting relief of utility bill, due to garden hose 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 \$107.32 (37,000 gallons). Roll call vote: Kennedy-Yes; Masciale-Yes; Nosti-Yes; Miklosey-Yes; Knoeller-Yes. Motion passed.

OLD BUSINESS

JCP&L Reimbursement – Mr. Woolf stated the Authority paid approximately \$120,000.00 to run the electrical lines to Well No 8 and Water treatment plant No. 1. JCP&L sent the Authority a reimbursement check in the amount of \$9,542.00. The Authority will receive a reimbursement check once a year until the money is paid back.

Water Shut-Off Policy – Mr. Woolf asked the Board to consider not shutting off the water for non-paying customers during the months of December, January and February. He explained many customers have hot water baseboard heating and if their water is shut off it could potentially cause problems with their heating system. Additionally, it

interferes with the lien process with the Township and recordkeeping for the Authority to be able to distinguish whether a home should be shut off or not. Mr. Masciale recommend that customers be made aware of this policy.

Ms. Busch pointed out by implementing this policy during the months of December, January and February, each cycle will receive a one-month grace period so every cycle is equal. A motion was made by Mr. Masciale and seconded by Mr. Nosti authorizing the implementation of suspending water shut-offs for the months of December, January and February, contingent upon successful outcome of this policy. Roll call vote: Masciale-Yes; Nosti-Yes; Miklosey-Yes; Kennedy-Yes; Knoeller-Yes. Motion passed.

Mr. Miklosey stated he is aware of a customer whose water will be shut-off due to non-payment, however, this customer has not paid his utility bill in six years. Ms. Busch explained by the time the shut-off policy went into effect, the Township ended up absorbing the lien. The Authority was unable to collect from this customer as long as the Township held the lien. Mr. Woolf stated the customer also has a health issue which prevented the Authority from shutting his water off. Mr. Miklosey stated this customer no longer has a health issue.

NEW BUSINESS

John Cavalier - Mr. Knoeller stated John Cavalier contacted him regarding a lot he is purchasing on Bee Street. Since there is no water or sewer to this lot, he would like to run the line himself and connect to a manhole. Mr. Knoeller stated he and Mr. Woolf inspected the lot and identified that it is 180 feet away from where the manhole is. In addition to this inspection, they realized there are 6 homes on that street that either run on a well or septic. If an 8-inch line is installed on that short run, the Authority will pick up six customers with the potential to collect \$10,000.00 in connection fees for each connection for a total of \$60,000.00. Mr. Knoeller stated he and Mr. Cavalier spoke about the Authority providing him the material and he would install the water line for nothing, with an agreement the Authority would provide Mr. Cavalier a free connection for his lot. Mr. Knoeller stated the Authority could go and bid the project, however, it would cost more than \$20,000.00 to install the line. Mr. Cavalier can put this line in and within 180 days customers will be hooked up to sewer and water. Mr. Miklosey asked about potential conflicts. Mr. Woolf stated the Authority will own the lines after they are constructed, which will be inspected by the engineers.

Mr. Knoeller stated the Authority needs to look at ways to generate income. He will have Mr. Woolf inspect the town, one section at a time, to determine what homes are on septic and/or well. Mr. Knoeller asked Mr. Dittenhofer to investigate on what it would cost the Authority to improve the 500 fees from Well No. 8 since he has identified at least 16 lots that are on septic and/or well.

Professional Services Contract 2016 – Mr. Woolf requested authorization to advertise and receive proposals for professional services contract 2016 utilizing existing weighted criteria. A motion was made by Mr. Nosti and seconded by Mr. Kennedy authorizing advertisement to receive proposals for professional services contract 2016. Roll call vote: Nosti-Yes; Kennedy-Yes; Miklosey-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**PUBLIC BUSINESS/
COMMENT**

There was no public business/comment.

**CLOSED
SESSION**

RESOLUTION

WHEREAS, Section 8 of the Open Public Meetings Act, Chapter 231, Public Law 1975 permits the exclusion of the public from a meeting in certain circumstances;

WHEREAS, this public body is of the opinion that such circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED by the Lacey Municipal Utilities Authority, County of Ocean and State of New Jersey as follows:

1. The public shall be excluded from discussion of action upon the hereinafter specified subject matters.
2. The general nature of this closed session concerns personnel matters.
3. It is anticipated at this time that the above-stated matters will be made public once these matters have been resolved.
4. This resolution shall take effect immediately.

A motion was made by Mr. Nosti and seconded by Mr. Miklosey to adopt the above resolution. Roll call vote: Unanimously approved.

Separate minutes were kept on the above closed session.

**RE-OPEN
MEETING**

A motion was made and seconded to return to open session. Motion unanimously carried.

Debra Cardullo - A motion was made by Mr. Kennedy and seconded by Mr. Miklosey to remove Debra Cardullo from the union and promote her to the position of bookkeeping assistant with a \$2,500.00 salary increase effective December 2, 2015. Roll call vote: Kennedy-Yes; Miklosey-Yes; Nosti-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

Kathleen Stephensen - A motion was made by Mr. Miklosey and seconded by Mr. Kennedy to remove Kathleen Stephensen from the union and promote her to the position of billing supervisor with a \$2,500.00 salary increase effective December 2, 2105. Roll call vote: Miklosey-Yes; Kennedy-Yes; Nosti-Yes; Masciale-Yes; Knoeller-Yes. Motion passed.

**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 \$941,421.98 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. Kennedy to adopt the above resolution. Roll call vote: Unanimously approved.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:40 p.m.

Respectfully submitted,

Michele Kennedy
Executive Secretary