

**MINUTES
HARDYSTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY
March 1, 2010**

The meeting of the Hardyston Township Municipal Utilities Authority was held on Monday, March 1, 2010, at the Municipal Building located at 149 Wheatsworth Road. Members present were Mr. Kievit, Mr. Kula and Ms. Leatham. Absent; Mr. Cicerale and Mr. Verrilli. Also present were Marianne Smith, Mike Vreeland, Mark Hontz and Bob Schultz.

After salute to the flag, Mr. Kievit stated compliance with the Open Public Meetings Act.

Minutes: MOTION was made by Ms. Leatham and seconded by Mr. Kula to approve the minutes of the February 1, 2010, meeting. In favor: Kievit, Kula and Leatham.

Note: The order of listed agenda items was amended to accommodate the late arrival of the HTMUA engineer.

BUDGET AMENDMENT –

Marianne stated an amendment is before the commissioners which amends our budget in four key areas. It changes the developer's fees from \$286,651 to \$309,541. It changes the retained earnings from \$0 to \$45,730, utilizing surplus funds, amending the revenue of sewer rates from \$655,368 to \$688, 268, administrative/other expenses from \$113,750 to \$95,855 and the cost of providing service, which is your SCMUA charge from \$749, 844 to \$860,259.

Mr. Kievit stated this change is due to the increase in SCMUA charges and nothing else. Marianne stated SCMUA was budgeting for fees collected for new hookups. They were counting on it as hard revenue. When that dropped off they were utilizing their surplus for a couple of years as it was declining but then they ran out of surplus. Their only revenue source is direct fees to their customers. Everyone complained but no one else can do anything. Their actual expenses went up only 3%. Most fees went up 100% as a pass-thru to their customers. Both homeowners' associations were notified via letter, facsimile and telephone but no response was received.

A MOTION was made by Leatham seconded by Kula to accept the Sewer Budget Amendment as presented. In favor; Kievit, Kula and Leatham.

A MOTION was made by Kula seconded by Kievit to appoint Ms. Leatham as Treasurer for the duration of the meeting due to the absence of the Treasurer for purposes of signature for the Sewer Budget Amendment. In favor: Kievit, Kula and Leatham.

PAYMENT OF BILLS:

A MOTION was made by Leatham and seconded by Kula to pay the bills as per the bill list. In favor: Kievit, Kula and Leatham.

CORRESPONDENCE:

Gail stated a letter was received from a homeowner residing at 2 Cornwall Court requesting forgiveness of charges on the account, due to financial burdens and the economic climate. The home is presently up for sale and the account current with the exception of interest charges less than \$5.00. A letter will be sent to the homeowner indicating denial for request and that all must share the costs.

A MOTION was made by Leatham and seconded by Kula to approve the correspondence as presented. In favor: Kievit, Kula and Leatham.

OLD BUSINESS:

Indian Field:

Payment status – Gail stated the December quarter was due January 15, 2010 and has not been received. The total amount due including interest calculated through February 28, 2010 is \$49,732.95. The sewer escrow account balance is \$2.07. Five notices have been sent with no response. The water escrow account balance is \$1,954.22. Mr. Kievit stated further discussion will be held during executive session.

A MOTION was made by Kula seconded by Leatham to convene to executive session to discuss sewer revocation as per advice from the HTMUA attorney. In favor; Kievit, Kula and Leatham.

The minutes of the executive session will be released at a later time.

Sewer Revocation -

A MOTION was made by Kula seconded by Leatham to revoke sewer allocation from HFH Corporation (Indian Field Development). To revoke with a fourteen day redemption period based on the default of the developer's agreement by HFH Corporation. In favor: Kievit, Kula and Leatham.

Corrosion Control – Mike stated Ron and himself have been working on tabulating numbers and finalizing the application to the State. Not specifically for the corrosion control but as part of the project we will be re-doing the piping and plumbing in the water treatment building and upgrade the chemical metering pumps. Ron is in the process of receiving pricing for this portion of the project. We would like to get authorization for up to \$12,000 for the initial part of the project once Ron receives quotes from all possible vendors. The balance of the work will be done once the DEP approves the permit. This

will include a dilution system and an on-line system that consists of a Ph and chlorine monitoring adviser. We will move forward on those items once the permit is received back from the State.

A MOTION was made by Leatham seconded by Kula to approve the signing of the Corrosion Control treatment modification permit application to the NJDEP. In favor: Kievit, Kula and Leatham.

A MOTION was made by Kula seconded by Leatham to spend up to \$12,000 for improvements necessary to upgrade the water system at the Indian Fields development for the purpose of Corrosion Control which will involve replacing the piping in the well house, purchasing four metering pumps, three skid mounts and installing a new flow meter. In favor: Kievit, Kula and Leatham.

Phase II As-Built Plans – Mike stated nothing new at this time.

Phase III Conveyance – Mike stated nothing new at this time.

Phase IV Sewer Main Extension Permit – Mike stated nothing new at this time.

Phase V Sewer Service – Mike stated nothing new at this time.

Crystal Springs:

Payment Status – Gail stated they are current and paid to date. A request to replenish both the water and sewer escrow account was issued. There are two remaining payments to SCMUA for the by-pass payment. No payments have been late from either Crystal Springs or to SCMUA as of this month.

Ardleigh & Shotmeyer Housing Sections – The sewer pump station is at the sight. This will be hooked up shortly. Nothing else new at this time.

Water Tank Inspections – Mike stated dive inspections reports were received back for both the Indian Field and Crystal Springs water tanks. To be discussed under new business.

Additional – Marianne stated the second TWA permit was received for the Village.

High Ridge Properties:

Payment status – Gail stated they are 6 full and 1 partial quarter behind plus interest calculated through February 28th for a total of \$136,920.68. The escrow account balance is \$4,588.

TWA Application – Mike stated Sussex Borough's water and sewer engineer reviewed the application and issued a report. Essentially High Ridge never submitted revised plans

to Sussex Borough. Primarily he reviewed it for its impact on the Sussex Borough pump station.

Ridgefield Commons Emergency Interconnection:

Mike stated nothing new at this time.

North Church Technical Center:

Mike stated nothing new at this time.

Shotmeyer Brothers Site Plan:

Mike stated nothing new at this time.

New Business

Water Tank Inspections – Mike stated if we want to consider moving forward on the water tank repairs he suggests doing the Indian Field tank first since we have an interconnection with Wallkill Water that can be utilized for a temporary source of water. Storage is going to be an issue for Crystal Springs, it is a 500,000 gallon tank and the water demands are higher. We will have to figure something out. He does not perceive having it started until next year possibly even the following year just because everything needs to be coordinated. We may want to consider an emergency interconnection with Hamburg again. We would not be using their water but instead for the storage purpose. Discussion followed regarding the re-painting process.

OFFICER'S REPORTS:

Nothing at this time

PROFESSIONAL'S REPORTS:

Administrator – Marianne stated that when we do give back the allocation there will be a financial hit based on the administrative fees. There will be a negative impact to our customers by losing the developer.

Operator – Nothing additional

Billing Clerk – Gail stated Mark sent shut off letters to 30 accounts. An update will be given at the next meeting once all payments received today are processed and shut off procedures followed through.

CFO – not present

Accountant – nothing further.

Engineer – nothing further.

Attorney – nothing additional

OPEN PUBLIC PORTION:

The meeting was opened to the public. There were no members of the public present. There being no further business, a motion to adjourn was made by Leatham, meeting adjourned.

Respectfully submitted,

Gail Hensal
Recording Secretary

March 1, 2010
Executive Session

Marianne stated the sewer allocation will be returned to SCMUA as of May 31st unless payment is received on the 15th. Based on a conversation with Joe Lipari Irani is not being cooperative and the bank is not paying anymore. The property is going into foreclosure and the bank is taking its chances by letting the allocation go. Calls were placed to Irani but we have not received any in return. Negotiations with Beazer are up in the air with deposit monies in flex.

Mike Vreeland stated we could (referring to chart hand out) give back approximately 66,592 gallons of allocation or 76,000 gallons with TWA permit expired. This is based on a three month rolling average chart.

Marianne stated High Ridge sewer allocation of 10-25,000 with Sussex Borough is in litigation. It would be less than HFH allocation. Mark stated it would be good for us but not for Sussex Borough. Marianne stated the developer agreement and payment would have to be aggressive. If no check is received by April 15th we will need to have an answer of the process we plan on taking before the next meeting. We are in the process of a possible interlocal contract with Sussex Borough on the township level. The High Ridge TWA permit could be signed and all developments could be permitted. Crystal Springs is not really interested but High Ridge has no protection with the waste water management which could force Sussex Borough to settle. Should we discuss with all developers so we can minimize the possibility of litigation from Sussex Borough?

Mark stated if they can't see the benefit then it was truly not meant to be. Marianne stated we should give all developers an opportunity and see who knocks on the door. Mark will send a letter of redemption should payment not be received.