

**MINUTES
HARDYSTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY
April 5, 2010**

The meeting of the Hardyston Township Municipal Utilities Authority was held on Monday, April 5, 2010, at the Municipal Building located at 149 Wheatsworth Road. Members present were Mr. Kievit, Mr. Cicerale, Mr. Verrilli, Mr. Kula and Ms. Leatham. 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 March 1, 2010, meeting with correction as noted, first page, last paragraph changing "Treasurer" to "Secretary." In favor: Kievit, Kula and Leatham. Abstain Cicerale & Verrilli.

OLD BUSINESS:

Indian Field:

Sewer Revocation -

Mark Hontz stated a strategic planning meeting was held to determine the precise sewer allocation being revoked. A notice was sent out to HFH mid month notifying them of nonpayment and revocation was enacted upon. We also wanted to be in harmony with SCMUA since it is their allocation and calculation which is going to govern this. Mike Vreeland calculations were based on SCMUA calculations and normal SCMUA assumptions to determine the allocation which was revoked. A letter was sent to SCMUA asking for confirmation on March 22nd, notifying them of our meeting and to verify our calculations. We have only received communication back from SCMUA stating if we want to communicate it must be through their attorney.

Mike stated an e-mail was sent to Tom Varro, in house engineer at SCMUA and Cerenzio and Panerra to review our calculations. The intent was to follow their service amendment and rules where they look at the highest annual historical flow and add a 15% factor for I&I plus projects which have been approved, but not yet hooked up. This derives the committed annual flow. The committed flow is subtracted from the allocation for the project which equals what we have available. The e-mail was sent last Thursday and a phone call was received back this afternoon from Tom Varro wanting to know when we needed verification. He stated they did not want to get in the middle of any developer issues or actions we were taking but they would get back to us once they have reviewed the calculations and make sure it complies with SCMUA service rules. Hopefully, it will be forthcoming in the next week or so. It was explained that an internal planning meeting and revocation had already occurred. We wanted SCMUA to define and verify the 65,000 gallons prior to the auction being held.

Marianne stated she reached out to the bank to advise them of the recommendation which was going to be made to the commissioner's regarding the sewer auction. They weren't totally aware, even though we had had the conversations earlier, once the sewer allocation was revoked, the ability to for the land to be capable of the high density zoning is out the window. The bank is in the process of foreclosing on the project and they do have some potentially interested developers, nothing concrete, just early stages. We did warn them that they be negotiating on raw land. If they wanted to come forward and pay it would have to go before the commissioner's. Mark stated it would be going against our own rules. The bank would most likely not be getting back to us this week. Further discussion was held regarding the approval, zoning process.

Mark stated the recommendation from the engineer is to revoke and auction 65,000 gallons. Mike explained the calculation of the gallonage for revocation and auction. Discussion and questions were further covered regarding the calculation and costs associated with the allocation.

Recommendations were also presented in regards to the list of terms of the auction, revoking the TWA approvals attached to the sewer allocation and placing a lien on the property based upon the first quarter which is due.

Mark stated HFH is in default of the developer's agreement. Thus, the TWA approvals for Phase IV & V should lapse. Suggestion is made to rescind the approval since we have already revoked the sewer allocation. It would be a mismatch not to have one without the other. The total gallonage of revocation also needs to be voted upon. Mike recommends a total gallonage of 76,200.

A MOTION was made by Leatham seconded by Verrilli to revoke a total of 76,200 gallons per day of sewer allocation from HFH Corporation. In favor: Kievit, Verrilli, Kula, Leatham, abstain Cicerale.

A MOTION was made by Kula seconded Leatham to auction 65,000 gallons per day of sewer allocation. In favor; Kievit, Cicerale, Verrilli, Kula and Leatham.

A MOTION was made by Verrilli seconded by Leatham to rescind the TWA application for Phase IV and Phase V of the Indian Field Development. In favor: Kievit, Cicerale, Verrilli, Kula and Leatham.

A MOTION was made by Verrilli seconded by Kula to authorize the process and placement of liens on the following block and lots in Indian Field for the unpaid amounts due to the HTMUA; Block 67, Lot 16.03, Block 67.05, Lot 1, Block 67.30, Lot 1, Block 67.29, Lot 1, Block 67, Lot 18.01, Block 67 Lot 19. In favor: Kievit, Cicerale, Verrilli, Kula and Leatham.

The terms of the auction were explained as follows;

1. Bidder must be owner of property/land in Hardyston Township within a designated sewer service area or bidder must be a member of SCMUA.
 2. Minimum bid amount \$4/gallon
 3. Payment of minimum bid must be made at auction by successful bidder(s)
 4. \$1/gallon non-refundable deposit.
 5. Balance of amount due within 10 days of auction
 6. 65,000 gpd to be auctioned in incremental blocks;
 - a. 2 – 2,000 gallon
 - b. 1 - 3,000 gallon
 - c. 6 – 10,000 gallon
 7. Successful bidder enters into either a developer's agreement with HTMUA or service contract amendments between bidder and SCMUA & HTMUA & SCMUA within a 90 day period.
- Notices will be sent to all SCMUA members in addition to public notice
 - Letter of expression of interest and pre-bid meeting required
 - Proposed time table of events;
 1. 4/5/09 – HTMUA Regular Meeting
 2. 4/9/10 – Letters mailed to SCMUA members, interested parties and public notice
 3. 4/16/10 – Pre-bid meeting
 4. 4/23/10 - Auction

A MOTION was made by Verrilli seconded by Leatham on all the presented terms of the auction and pre-bid meeting. In favor: Kievit, Cicerale, Verrilli, Kula and Leatham.

Gail stated previous approval was made to transfer funds from the HFH water escrow account to the sewer escrow account to cover an outstanding voucher. Presently, there is a \$1,954.22 balance in the water account and a -\$27.93 in the sewer account. We are requesting approval for the transfer of funds from the water to the sewer escrow to cover any current or future vouchers. Any future bills which deal with the auction or such will be paid from HTMUA funds.

A MOTION was made by Verrilli seconded by Leatham to amend the PREVIOUS MOTION for the winning bidder to supply \$1 gpd non-refundable deposit changed to; each successful bidder shall pay to the HTMUA at the close of the auction, a non-refundable deposit towards the total purchase in the amount of ONE DOLLAR (\$1.00) per gpd or EIGHT THOUSAND DOLLARS (\$8,000.00), whichever is greater. In favor: Kievit, Cicerale, Verrilli, Kula and Leatham.

Corrosion Control – Mike stated Ron has ordered all the new piping and installed it in the well house including the new meter. We received a letter from the State deeming the application incomplete. The drawing and schematic did not provide enough detail and

the permit fee amount was too much. A new drawing was put together and sent down and a re-calculation of the permit fees was completed.

A MOTION was made by Verrilli seconded to Leatham to accept the recalculated corrosion control permit as presented. In favor: Kievit, Cicerale, Verrilli, 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.

Homeowner's association hydrant use request – Gail stated late Thursday we received a request from the Indian Field association for use of the hydrant when an outside tap is not available for a painting project. Rules and Regulations state that if given permission irrigation rates would prevail.

Mike stated the intention was for the HTMUA to purchase the necessary equipment to utilize the hydrant. This has not been accomplished at this time. Ron suggested he could fill up a tank. Discussion ensued regarding the cost, expense and process. Mark recommended we decline their request. A letter will be sent denying the request.

A MOTION was made by Verrilli seconded by Kula to deny the request from the Indian Field Homeowner's Association to utilize the available hydrant in the development for the use of power washing for a painting project. In favor: Kievit, Cicerale, Verrilli, Kula and Leatham.

Crystal Springs:

Ardleigh & Shotmeyer Housing Sections – Mike stated nothing new at this time.

High Ridge Properties:

Payment status – Gail stated High Ridge Properties is 7 full quarters and 1 partial quarter behind with interest calculated through March 31st for a total of \$156,996.03.

Sussex Borough – Mark stated as part of their annual audit Sussex Borough the auditors have requested confirmation of the unpaid sewer utility payments in the amount of \$232,091.98.

A MOTION was made by Verrilli seconded by Kula for the HTMUA attorney, Mark Hontz, to respond to the auditor for Sussex Borough stating the HTMUA does not agree and does not owe \$232,091.98. In favor: Kievit, Cicerale, Verrilli, Kula and Leatham.

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

Mike stated we received a letter from Crystal Springs referring to our developer's agreement of which they get charged quarterly renewal and replacement for the undeveloped lots which they still own. The last calculation was performed in May of 2007 and had not been recalculated since, based on the lack of activity. We received a request from Dale to evaluate and recalculate this figure. At this time we may need to refund \$660 per year of the quarterly charges. Verification will be discussed at the next meeting.

Mike stated the YMCA was sent a summary of the sewer flows for the month of March. Based on the calculations, their average daily flow for sewer was 9,245 per day. This is over their allocation of 8,000. The first three months was also over their allocation. This is based on actual flows after the new sewer meter was installed.

A MOTION was made by Verrilli seconded by Leatham for the HTMUA attorney, Mark Hontz, to provide a written notice of violation to the YMCA regarding the sewer flows utilized over and above their allowed allocation of 8,000 gpd. In favor: Kievit, Cicerale, Verrilli, Kula and Leatham.

Mike stated a there were previous issues at the Tannery sewer pump. One pump was replaced in 2006. The other pump, which is the original, is now running at twice its normal operation. We are requesting authorization to spend not in excess of \$4,000, once all quotes are received, for the purchase of a new pump.

A MOTION was made by Kula seconded by Leatham to authorize expenditure of funds not to exceed \$4,000, after all quotes are received, for the purchase of a new pump for the Tannery section of Crystal Springs. In favor: Kievit, Cicerale, Verrilli, Kula and Leatham.

PAYMENT OF BILLS:

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

CORRESPONDENCE:

No questions were made regarding the correspondence.

OFFICER'S REPORTS:

Nothing at this time

PROFESSIONAL'S REPORTS:

Administrator – nothing further

Operator – Bob handed out a follow up list of the quotes which were received for the materials purchased for Indian Field.

Billing Clerk – Gail stated of the 31 accounts sent shut off notices from Mark, 24 paid or made arrangements, and 7 were shut off. Of the 7 shut off, 3 are in foreclosure, 4 are vacant of which 2 are in Indian Field and 5 in Crystal Springs.

CFO – not present

Accountant – not present

Engineer – Mike stated a high level alarm was received for Crystal Springs during the heavy rains. A pump truck was called out and manned by Ron. There are some I&I issues in Crystal Springs which he is working on addressing. A concrete seal system was purchased and Ron will use this for the first time and report back with the results.

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