

**MINUTES
HARDYSTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY
September 13, 2010**

The meeting of the Hardyston Township Municipal Utilities Authority was held on Monday, September 13, 2010, at the Municipal Building located at 149 Wheatsworth Road. Members present were Mr. Kievit, Mr. Cicerale, and Mr. Kula. Absent, Mr. Verrilli and, Ms. Leatham. Also present were Mike Vreeland, Mark Hontz, Paul Cuva and, Sam Rome.

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

Marianne stated correspondence was received from Ms. Leatham resigning her position as Commissioner of the HTMUA. Mr. Kievit stated the HTMUA appreciates her dedication and many years of service to the HTMUA.

A MOTION was made by Cicerale seconded by Kula to accept with regret the resignation of Candace Leatham as Commissioner of the Hardyston Township Municipal Utility Authority. In favor; Kievit, Cicerale, and Kula.

Minutes: A MOTION was made by Cicerale and seconded by Kula to approve the minutes of the August 2, 2010 meeting. In favor: Kievit, Cicerale, and, Kula.

OLD BUSINESS:

Indian Field:

Sewer Service Agreement Amendment – Marianne stated Wantage and Sparta signed the sewer service agreement and has since forwarded it to SCMUA for approval. The agreements were approved by SCMUA and authorized for signature by the Chairman once minor word corrections are completed.

A MOTION was made by Kula seconded by Cicerale hereby authorizing the HTMUA Chairman to sign a service contract amendment with the SCMUA in a form acceptable to the HTMUA Attorney. In favor; Kievit, Cicerale, and Kula.

Corrosion Control – Mike stated an e-mail was received from the NJDEP indicating technical issues with the permit which need to be addressed. An addendum was made and all outstanding issues were addressed, we are awaiting the permit. Additionally, authorization was previously made for expenditure of \$20,000 for a treatment system. A quote was received from Force Flow for \$10, 470.00 and an attempt was made to obtain additional quotes but this particular equipment is patented and only available by Force Flow. This is the lowest and only quote available.

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

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

Crystal Springs:

Ardleigh & Shotmeyer Housing Sections – Mike stated there is an issue with pressure surges occurring with the pumps. The pump and motor was rebuilt and reinstalled but there are electrical problems. Coordination is being made with the electrical subcontractor through the original engineer, Crew.

Landscaping – Briar Crest Sewer Pump Station – Mike stated an e-mail was received from the management company requesting the status of the approval. A copy of the resolution from the August 2, 2010 meeting will be forwarded, which states the conditions.

By-Pass TWA – Mike stated the Craig By-Pass permit had a 2 year time table but construction had not begun and will expire this November. We are allowed to have one additional extension.

A MOTION was made by Kula seconded by Cicerale to approve a request for a second (and final) one-year T.W.A. permit extension from the NJDEP on behalf of Crystal Springs for the Shotmeyer housing section and shall advance the \$200.00 application fee. In favor; Kievit, Cicerale, and Kula.

High Ridge Properties:

Payment status (High Ridge/Sussex Borough) – Gail stated they are 8 full and 1 partial quarter in arrears with interest calculated through August 31st for a total due of \$186,386.

Payment Status (Beaver Run Shopping Plaza/Anton Pilz) – Gail stated payment was received in full including interest. The sewer revocation was cancelled.

Sussex Borough – Mark stated no new news from either party.

YMCA

Developer agreement – Mark stated the YMCA has the agreement in hand and we should have it shortly. Approval had been previously made for signature by the Chairman once it is received.

Sewer Flows – Mike stated the sewer flows are back within normal flows.

Ridgefield Commons Emergency Interconnection:

Mike stated the attorney handling the conveyance was sent a sample of documents to assist in the process.

North Church Technical Center

Mike stated nothing new at this time.

New Business

No new business at this time.

PAYMENT OF BILLS:

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

CORRESPONDENCE:

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

OFFICER'S REPORTS:

Nothing at this time

RISK MANAGEMENT CONSULTANT'S AGREEMENT:

A MOTION was made by Kula and seconded by Cicerale to approve the Risk Management Agreement as presented. In favor: Kievit, Cicerale, and Kula.

2010-11 BUDGET PRESENTATION:

Paul Cuva presented the proposed 2010-11 budget presentation. The goal was to balance the budget without incurring a rate increase. The change in our rate fee from SCMUA due to the recent sewer auction was taken into consideration. To accomplish this, surplus is being utilized for water in the amount of \$7,961.00 and \$152,200 for sewer.

The R&R fund will continue to follow the same formula as in the past. Projects including painting of the two water towers will consume \$400,000 - \$500,000 but approximately \$237,000 will be allocated back into the fund leaving \$1.2 million in the R&R fund at the end of the fiscal year.

The surplus on the water portion is approximately \$354,755 and we will utilize \$7,961 leaving us with a proposed surplus at the end of the year of \$346,000. The sewer portion has approximately \$652,000 in surplus which we will utilize \$152,200 leaving approximately \$500,000 at the end of the year.

Paul explained the budget spreadsheets including the developer fees, customer revenue, and calculation of the renewal and replacement amounts. The formula for the R&R may

have to be re-calculated for the following budget year. Approximately \$450,000 in capital items is being funded from R&R.

A MOTION was made by Kula seconded by Cicerale to introduce the water budget for the fiscal year ending August 31, 2011. Total revenues of \$411,440, \$419,401 total appropriations, \$7,961 of retained earnings utilized, \$325,000 of capital appropriations with the funding source of \$325,000 from renewal and replacement. In favor; Kievit, Cicerale, Kula.

A MOTION was made by Kula seconded by Cicerale to introduce the sewer budget for fiscal year ending August 31, 2011. Total revenues of \$882,761, total appropriations of \$1,034,961, retained earnings utilized of \$152,200 in addition to capital appropriations of \$125,000 with a funding source of \$125,000 from renewal and replacement reserve. In favor; Kievit, Cicerale and Kula.

PROFESSIONAL'S REPORTS:

Administrator – Nothing further

Operator – No present

Billing Clerk – Gail stated a disconnect list of potentially 14 customers will be forwarded to Mark by the end of September to begin the disconnect procedure.

Currently there are 7 properties which are in the lien process for non-payment of water and sewer charges in conjunction with the regular township tax sale. Two of the properties were previously under bankruptcy from 2009. Only one property has been in contact with us and will be presenting payment tomorrow.

Marianne stated she has spoken with the town attorney Fred Semrau regarding the HTMUA to have the ability to place liens on the property on a quarterly basis. Mark will coordinate with Fred.

A new bankruptcy was presented to us for 17 Briar Court. The customer currently owes \$558.14. Mark suggested avoiding the costly process we should streamline the lien process as opposed to filing objections.

A MOTION was made by Kula seconded by Cicerale to accept the customer list to be presented to the tax department for process towards placing liens on properties for delinquent water and sewer charges. In favor; Kievit, Cicerale and Kula.

CFO –Sam stated the end of the fiscal year is in process.

Accountant – Nothing further

Attorney – Mark suggested authorization for the shut off list prior to mailing.

A MOTION was made by Kievit seconded by Cicerale to authorize Mark Hontz to process the mailings of shut off letters to delinquent customers as presented. In favor; Kievit, Cicerale, and Kula.

Engineer – Nothing further

OPEN PUBLIC PORTION:

The meeting was opened to the public.

There being no further business, a motion to adjourn was made by Kula, meeting adjourned.

Respectfully submitted,

Gail Hensal
Recording Secretary