

**MINUTES
HARDYSTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY
December 5, 2011**

The meeting of the Hardyston Township Municipal Utilities Authority was held on Monday, December 5, 2011, at the Municipal Building located at 149 Wheatsworth Road. Members present were Mr. Kievit, Mr. Cicerale, Mr. Kula, and Mr. Marples. Absent, Mr. Verrilli. Also present were Mark Hontz, Paul Cuva, Mike Vreeland, Marianne Smith, and Bob Schultz.

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

Minutes: A MOTION was made by and seconded by Kula to approve the minutes of the November 7, 2011 meeting. In favor: Kievit, Cicerale, Kula, and Marples.

OLD BUSINESS:

Indian Field:

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

Phase III Conveyance – Mike stated nothing new at this time

Water Tank – Mike stated nothing new at this time.

Residential Sump Pumps – Marianne stated letters were sent out to all homeowners. We received 40-50 phone calls stating that they have a sump pump and it is ok, they don't have one, or was not aware of what a sump pump was.

Crystal Springs:

Oaks & Clubhouse Infiltration – Mike stated the work was completed on the manhole. An additional location, the main pump station, is being considered, it was not an ideal time to complete. An estimate was requested.

Water Tank Cleaning – Mike stated the water tank was cleaned and process completed.

Cornwall Conveyance – Mark stated the conveyance of Cornwall is almost complete and suggest a motion to approve the conveyance pending attorney and engineer approval.

A MOTION was made by Kula seconded by Marples to approve the final conveyance of the Cornwall section of Crystal Springs pending the HTMUA designated attorney engineer. In favor, Kievit, Cicerale, Kula, and Marples.

Mike stated Crystal Springs has requested an amendment to the construction and final site plan of the Ferndown (Tarrington Road, Shotmeyer Tract). It will not have much of an impact on the first phase but will on the second phase. A letter was composed by Mike and presented in the correspondence packet for this evening's meeting. Phase 1 is generally consistent with the previously approved water main and TWA permits issues. Phase 2 consists of additional units onto the original plan and suggests an amended water main extension and TWA permit application be filed with the NJDEP before construction commences.

A MOTION was made by Kula seconded by Cicerale to approve the submission of an amended water main extension and TWA permit application to the NJDEP for Phase 2 of The Ferndown section of the Crystal Springs development. In favor: Kievit, Cicerale, Kula and Marples.

High Ridge Properties:

Payment Status; High Ridge Properties & Beaver Run Shopping Ctr. – Gail stated the High Ridge portion is 13 full and 1 partial quarter behind with interest calculated to November 30, 2011 for a total due of \$327,175.75.

The Beaver Run portion (Anton Pilz) is current with the exception of interest calculated from the date due to the date payment was received on October 21, 2011, total amount due is \$14.15.

Litigation – To be discussed in Executive Session

YMCA:

Mike stated nothing new at this time.

Ridgefield Commons Emergency Interconnection:

Mike stated nothing new at this time.

North Church Technical Center:

Marianne stated the Township attorney has reviewed the third party agreement which will be forwarded to Mark for review. Bid specs should be completed and ready for the bidding process during the winter months and should be in time for the project to be started sometime in the spring.

New Business

Mike stated Ron is in the process of scheduling the Annual DEP inspection. During their last inspection one of the action items included a system sampling plan procedure. This was completed and will be presented at the inspection.

PAYMENT OF BILLS:

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

CORRESPONDENCE:

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

OFFICER'S REPORTS:

Nothing at this time.

2010-11 AUDIT PRESENTATION:

Paul Cuva presented the 2010-11 audit report. The budget versus actual indicates how we performed. The actual user fees were more than anticipated due to the increase in number of customers. Retained earnings were utilized in the amount of \$160,000 which was fully realized. Developer fees included \$110,000 for High Ridge as it was also recognized as an expense, which makes it a wash. The expenditures mostly came in as budgeted. The SCMUA charge funds were accrued but the billing from SCMUA was incorrect for the coming year; enough funds for the coming year have been placed.

Overall, we were \$4,000 over budget after calculating in the retained earnings. Our unrestricted retained earnings were drawn down based on being over budget with the GAP basis calculation. Overall, we lost \$66,850. At the end of the year our renewal and replacement fund as designated surplus was \$1,910,017 compared to 2010 for \$1,720,196; this is placed into our R&R this year. \$64,000 was placed back into our unrestricted net assets for the year. We are still placing money into our fund, but if we continue to pull from this, there will be no funds available. Discussion ensued. No comments or recommendations were made.

A MOTION was made by Kula seconded by Marples.

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of each local Authority to cause an annual audit of its accounts to be made, and

WHEREAS, the annual audit report for the fiscal year ended August 31, 2011 has been completed and filed with the Governing Body and the Director of the Division of Local Government Services pursuant to N.J.S.A. 40A:5A-15, and

WHEREAS, N.J.S.A. 40A:5A-17 requires the governing body of each Authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the section of the audit report entitled "General Comments" and "Recommendations", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board, and

WHEREAS, the members of the governing body have received the annual audit and have personally reviewed the annual audit, and have specifically reviewed the sections of the annual audit report entitled "General Comments and "Recommendations"; in accordance with N.J.S.A. 40A:5A-17,

NOW< THEREFORE BE IT RESOLVED, that the governing body of the Hardyston Township Municipal Utility Authority hereby certifies to the Local Finance board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended August 31, 2011, and specifically has reviewed the section of the audit report entitled "General Comments" and "Recommendations", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board,

BE IT FURTHER RESOLVED that the Secretary of the Authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution,

IT IS HEREBY CERTIFIED THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON December 5, 2011.

In favor: Kievit, Cicerale, Kula, and, Marples.

PROFESSIONAL'S REPORTS:

Administrator – Marianne stated an annual review is being put together to cover our accomplishments and our focus for the new year.

Operator – Bob stated High Point Electric will be starting the electrical project sometime this week in Indian Fields.

Billing Clerk – Gail stated quarterly bills were mailed out today.

CFO – Not present

Attorney – To be discussed in Executive Session.

Engineer – Nothing further

A MOTION was made by Kula and seconded by Marples to convene to executive session. In favor; Kievit, Cicerale, Kula, and, Marples.

Minutes of the executive session will be released at a later date.

The meeting convened to regular session.

OPEN PUBLIC PORTION:

The meeting was opened to the public.

The meeting was closed to the public.

There being no further business, A MOTION was made by Cicerale to adjourn, meeting adjourned.

Respectfully submitted,

Gail Hensal
Recording Secretary