

**MINUTES
HARDYSTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY
August 6, 2012**

The meeting of the Hardyston Township Municipal Utilities Authority was held on Monday, August 6, 2012, at the Municipal Building located at 149 Wheatsworth Road. Members present were Mr. Cicerale, Mr. Verrilli, Mr. Kula, and Mr. Marples. Also present were Mike Vreeland, Mark Hontz, and Marianne Smith.

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

Minutes: The minutes of the July 2, 2012 meeting will be presented at the next regularly scheduled meeting.

OLD BUSINESS:

Indian Field:

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

Phase III Conveyance – Mike stated an inspection was made on all the water improvements and most all of the sewer improvements with the sewer manholes remaining to be inspected from the punch list. This will be scheduled in the next week or 10 days. At that time a final punch list will be created. We have not heard anything since the last two reports to Beazer Homes. The last correspondence from Beazer indicated that they were anxious to complete the project. Once the final punch list is complete contact will be made to Beazer prior to the next meeting.

Water Spheroid Rehabilitation – Mr. Hontz provided an update on low bidder's compliance with insurance requirements. Mr. Vreeland reviewed the Daily Inspection Services Contract with Mumford Bjorkman Assoc. to provide monitoring of the project and Mr. Vreeland recommended approval. On motion and second and by unanimous approval, the HTMUA approved said contract.

A MOTION was made by Kula seconded by Marples to accept the contract proposal - from Mumford-Bjorkman Associates Inc., to provide daily inspection services as per the submitted proposal in regards to the 400,000 Gallon Watersheroid rehabilitation located at the Indian Fields. In favor, Cicerale, Verrilli, Kula, and Marples.

Crystal Springs:

K. Hovnanian - Ms. Smith led a discussion regarding the response to the developer's request to have performance bonds released by the Township.

High Ridge Properties:

Payment Status; High Ridge Properties & Beaver Run Shopping Ctr. – Ms. Smith indicated there were no payments made on either of these accounts. The HTMUA discussed the monies due from High Ridge Properties to the HTMUA and, derivatively, to Sussex Borough. On seconded motion and by unanimous approval, the HTMUA authorized the certification of amounts due and owing and directed Ms. Smith to provide this sum to the Township for imposition of a lien for unpaid utilities.

Ridgefield Commons Emergency Interconnection:

Mark Hontz recused himself from discussion.

Mike stated a site visit was done last month with Ron Schneider in attendance. Everything operated as expected, there are no concerns at this time. Because the parties have changed it has made it difficult for the agreement to be completed. A draft agreement has been compiled between the HTMUA, Ridgefield Commons Homeowner's Association, Hardyston Township Fire Department, Aqua Water Company, and Sussex Bank. The agreement covers the history of the project including prior agreements and what we believe is a reasonable course of actions. A copy of the draft agreement was provided for review. An easement needs to be completed on the HFH property. We would develop a quarterly charge for maintaining the interconnection. It would be the association's responsibility to pay for those maintenance costs. The agreement will be reviewed by Tom Collins due to the conflict of interest with the HTMUA attorney.

A MOTION was made by Kula, seconded by Verrilli for the attorney to review the multi-party draft agreement in relation to the Ridgefield Commons Emergency Interconnection. In favor; Cicerale, Verrilli, Kula, and Marples.

North Church Technical Center:

Mr. Hontz reported on signs of renewed activity by the property owner to move forward on this matter and emphasized the need for the owner's signature on the previously-approved 3-party agreement with the owner and with Hardyston Township.

YMCA

Mike stated nothing new at this time.

New Business

Mr. Vreeland reported on the request for wireless communication upgrades on HTMUA property. On seconded motion and by unanimous approval, the HTMUA approved the submitted written request, conditioned upon Mr. Vreeland's professional review and approval of structural integrity calculations to be submitted by the requestor. The Commissioners requested that Mr. Hontz review the lease to discern whether additional monies could be charged for the upgraded equipment.

A MOTION was made by Verrilli seconded by Kula to grant the approval for Black & Veatch, representative of AT&T to allow equipment (antenna) modification to the Crystal Springs Water Tank subject to the receipt and review of specifications by the HTMUA engineer. In favor; Cicerale, Verrilli, Kula, and, Marples.

PAYMENT OF BILLS:

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

CORRESPONDENCE:

Nothing to discuss

OFFICER'S REPORTS:

Nothing at this time.

PROFESSIONAL'S REPORTS:

Administrator – Nothing additional

Operator – Not present

Billing Clerk – Not present

CFO – Not present

Accountant - Paul stated that after review of the budget with the Administrator, Engineer, Attorney, and other staff members a proposal to slightly increase the water and sewer rates is recommended. This is in order to reduce the increase in unrestricted unreserved retained earning which is required to be utilized to balance the budget. We are proposing a water increase of \$8.00 annually or from \$270 to \$278 representing a 2.96% increase. The sewer portion increase proposal from \$548 to \$564 annually representing a \$16 annual increase or 2.92%. The customers would realize a \$6.00 overall increase per quarter or \$24 annually.

Paul reviewed the amount of surplus we have for unrestricted undesignated, designated for R&R and equipment. A conservative basis was utilized, we project at the end of 2013 to wind up if everything will hold true for the budget, in R&R we should have \$1 million remain, equipment reserve \$3,631.

Discussion was held regarding the increase from SCMUA, as it relates to neighboring communities and how the lack of increase in our customer base has affected our budget.

Utilization of the equipment budget at some point this coming year was discussed with the possibility of replacing the HTMUA truck and purchasing a sewer camera to avoid having to hire an outside contractor each time. A \$5,000 reserve is also included to budget for a future purchase. Mike discussed the R&R budget which assumes that all the items in the capital budget are completed.

A MOTION was made by Kula seconded by Marples to introduce the sewer budget for fiscal year ending August 31, 2013. Total revenues of \$895,307, total appropriations of \$1,072,273, unrestricted undesignated retained earnings utilized of \$176,966, in addition to capital appropriations of \$222,500 of expenditures with a planned funding source of \$190,000 from renewal and replacement and \$32,500 from equipment reserves. In favor; Cicerale, Verrilli, Kula, and Marples.

A MOTION was made by Kula seconded by Marples to introduce the water budget for fiscal year ending August 31, 2013. Total revenues of \$420,020, total appropriations of \$457,946 unreserved retained earnings utilized of \$37,926, in addition to capital appropriations of \$452,500 of expenditures with a planned funding source of \$430,000 from renewal and replacement and \$22,500 from equipment reserves. In favor; Cicerale, Verrilli, Kula, and Marples.

A public notice will be completed for a rate hearing and the budget adoption for the next meeting.

Paul and Mike explained that we are beyond guaranteed minimum flow; we are on actual flow for operating charges.

Attorney – Nothing further

Engineer – Nothing further

OPEN PUBLIC PORTION:

The meeting was opened to the public.

No members of the public were present.

The meeting was closed to the public.

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

Respectfully submitted,

Gail Hensal
Recording Secretary