

**MINUTES  
HARDYSTON TOWNSHIP  
MUNICIPAL UTILITIES AUTHORITY  
August 5, 2013**

The meeting of the Hardyston Township Municipal Utilities Authority was held on Monday, August 5, 2013, at the Municipal Building located at 149 Wheatsworth Road. Members present were Mr. Cicerale, Mr. Kula, Mr. Marples, and Mr. Albanese. Absent; Mr. Verrilli. Also present were Mark Hontz, Paul Cuva, Mike Vreeland, and Marianne Smith.

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

Minutes: A MOTION was made by Marples seconded by Kula, to approve the minutes of the July 1, 2013 meeting. In favor; Cicerale, Marples, Albanese; Abstain, Kula.

**OLD BUSINESS:**

Indian Field:

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

**Phase III Conveyance** – Mark stated the conveyance is coming along. Spoke with the Title Company; they are waiting for plans from Beazer Homes showing all the lots and streets.

**Well #2** – Mike stated nothing new to report. Discussion was held regarding the options of either keeping the well open or to close based on water quality reports, expenses and value.

**Indian Field / HFH Bonds** – Marianne stated she would like to make this a priority to check and see what bonds are open/available and our best options.

Crystal Springs:

**By Pass Upgrade/SCMUA** – Mike stated figures are being comprised for estimated costs of pumps. Ron did suggest to Mike to upgrade the electrical system. More information will be available as we move along on the project. Further discussion was held regarding the various pumps and their costs.

**Hamburg By-Pass** – Mark recused himself.

Marianne and Mike stated meetings are being set up. Discussions were held regarding the size of the pipe and the by-pass investment.

Mark returned to the meeting.

**Miscellaneous** – Gail stated a request was made to K. Hovnanian for replenishment of funds for the escrow account. They responded inquiring on the status of the bond release funds. The fund release is in process and will be paid, pending approval, at the next Township Council meeting.

### High Ridge Properties:

**Payment Status;** Gail stated on the High Ridge portion is 20 full and 1 partial quarters behind with interest calculated through 7/31/13 for a total amount due of \$555,785.67.

### Ridgefield Commons Emergency Interconnection –

Mike stated the new owner of the project began work on the interconnection. We observed work on the sanitary man hole. Permission was given from Aqua to the developer. Infrastructure work seems to be within the progress of the project.

### North Church Technical Center:

Mike stated we received a draft plan and calculations from the Fire Safety Engineer. Copies were given to the Hardyston fire and construction official for their review. We are waiting for the technical specs from the vendor. The intent is to get the technical specs and get it out to bid by early fall.

### **Open to the Public**

Inga Raab of 7 Beardslee Circle stated she has lived in the Cedars section of Crystal Springs since 2000. She recently wrote to the board regarding the present water bill of which everyone pays the same amount. Since 2006 -08 more families have moved in. Ms. Raab is very concerned, along with many other residents, regarding the fixed amount fee instead of paying based on usage. She inquired on when we will be billed based on usage.

Marianne stated it is a multifaceted process including the billing software of which we thought would be ideal when first implemented but is actually very cumbersome and incompatible with our handheld reading devices. We are presently in progress with converting our software to a system we know will communicate with our metering system and will also tie in with the Townships tax and filing system. The meters then need to be tested for their ability to read and their accuracy. Once everything is operational then the budget is looked at and what revenues are needed to maintain and operate the system. There will be a base rate and a usage rate. It is in process, but all the meters were installed at different times. Mike explained how there were missing meters, requirements of developers. The largest portion of the bill is the sewer portion not the water. Even if we were metering, the sewer rate is a pass through cost from the sewage treatment facility (SCMUA), and even the most frugal customer would not see a significant change or decrease in the quarterly charge.

The Meeting was closed to the public.

## New Business

### **Sewer Allocation Auction**

Mark handed out the terms and procedures regarding the sewer auction. As previously acted upon, we revoked from Beaver Run Properties 9,650 gpd of sewer allocation. It is of Mike's suggestion that the HTMUA hold onto 1,950 gpd and auction up to 8,000 gpd at the auction on September 5, 2013 at the Municipal Building. As previously performed a pre-auction meeting should be held. We also recommend breaking down the allocation into smaller portions which may attract more possible bidders. Each successful bidder must pay a non-refundable deposit of \$2,000 towards the total purchase with the remaining amount due paid within 10 days. The winning bidder must also enter into a developer's agreement within 90 days. Mark further discussed the details of the allocation and as it relates to SCMUA and HTMUA requirements in addition to how it relates to expenses, minimum bids.

Marianne proposed the dates of the auction be approved with the condition that the minimal bid amount would be established and agreed upon by the engineer, accountant and attorney. In the calculations of the minimum bid it would encompass the costs, expenses and our recovery for lost quarterly charges to the developer and include the expenses which may potentially be lost should the allocation be awarded to an enterprise outside of the HTMUA's service territory. Further discussion was held regarding costs, allocation size, and potential risks and benefits.

A MOTION was made by Marples seconded by Kula to adopt the outlines of the terms of the sewer allocation auction as presented and for the HTMUA professionals to determine and calculate the needed amount of the minimum bid. In favor: Cicerale, Kula, Marples, and Albanese.

### **PAYMENT OF BILLS:**

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

### **CORRESPONDENCE:**

No comments.

### **OFFICER'S REPORTS:**

Nothing at this time.

### **2013-14 BUDGET PRESENTATION:**

Paul Cuva presented the 2013-14 HTMUA Budget. We are required to present and file the budget 60 days prior to our year end of August 31, 2013. As all our figures were not available in time a resolution to file the budget late must be completed. After presentation tonight the budget

will then be sent to Trenton for their approval. Assuming that Trenton approves the budget it will then be up for adoption at our September 9<sup>th</sup> meeting.

Paul discussed the handout particularly on the sewer rent, appropriating a little extra money as we are anticipating 12 new customers in the Crystal Springs development. We are anticipating utilizing \$219,038 in unrestricted and undesignated earnings. On the expenditures side there is only a \$20,000 increase, a large portion of that being the increase in the software costs which will dissipate the following year once the new software is on-line. The biggest expense is the SCMUA expense. Marianne explained the use of the renewal and replacement fund within the budget. Paul explained the developer quarterly charges, rates broken down by development and water and sewer, the renewal and replacement fund, projected unrestricted retained earnings, and equipment reserve, which is utilized under the renewal and replacement fund.

A MOTION was made by Kula seconded by Marples, Whereas the Local Authorities Law requires every Authority to Transmit three certified copies of the Budget to the Director of Local Government Services at least 60 days prior to the end of the current fiscal year; and

Whereas, the Hardyston Township Municipal Utility Authority Budget for the fiscal year ended August 31, 2013 was due on July 1, 2013;

Now therefore, be it resolved by the Commissioners of the Hardyston Township Municipal Utility Authority that the reason for the later introduction of the Authority Budget for the fiscal year ended August 31, 2013 is that the Authority estimated revenues and appropriations were not know at the time the budget was to be legally introduced.

In Favor; Cicerale, Kula, Marples, and Albanese.

A MOTION was made by Kula seconded by Marples to introduce the sewer budget for fiscal year ending August 31, 2014. Total revenues of \$907,433, total appropriations of \$1,081,841 unrestricted undesignated retained earnings utilized of \$174,408, in addition to capital appropriations of \$500,000 with a planned funding source of \$500,000 from renewal and replacements. In favor; Cicerale, Kula, Marples, and Albanese.

A MOTION was made by Kula seconded by Albanese to introduce the water budget for fiscal year ending August 31, 2014. Total revenues of \$424,295, total appropriations of \$468,925 unreserved retained earnings utilized of \$44,630, in addition to capital appropriations of \$500,000 with a planned funding source of \$500,000 from renewal and replacement. In favor; Cicerale, Kula, Marples, and Albanese.

Paul stated if there are any questions; please feel free to contact him. Marianne stated that there will be no rate increase.

### **PROFESSIONAL'S REPORTS:**

Administrator – Nothing further

Operator – Not present

Billing Clerk – Gail stated letters were sent out to customers with who have remaining charges from 2012 unpaid. We are working closely with the tax collector to secure funds from mortgage companies should it be applicable to that individual account.

CFO – Not present

Accountant –Nothing further

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 Albanese to adjourn, meeting adjourned.

Respectfully submitted,

Gail Hensal  
Recording Secretary