

**MINUTES
HARDYSTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY
January 6, 2014**

The meeting of the Hardyston Township Municipal Utilities Authority was held on Monday, January 6, 2014, at the Municipal Building located at 149 Wheatsworth Road. Members present were Mr. Cicerale, Mr. Kula, Mr. Marples, and Mr. Albanese. Also present were Mark Hontz, Paul Cuva, Mike Vreeland, Marianne Smith, and Bob Schultz.

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

Minutes: A MOTION was made by Kula seconded by Marples, to approve the minutes of the December 2, 2013 meeting. In favor; Cicerale, Kula, Marples, and Albanese.

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.

Well#2 – Mike stated nothing new at this time.

Waterspheroid – Mike stated the contractor has not contacted him with a status of the repairs on the punch list. He will contact them.

Crystal Springs:

By Pass Upgrade/SCMUA – Mike stated Ron had a situation with the Main pump. He believes there is an issue with the motor. A rental was provided. Ron has ordered a new pump, which is similar to the one which is going to be utilized for the SCMUA upgrade. It should be installed sometime this week. Recommend to maintain the pump upgrade from SCMUA and once this is complete utilize this pump as an emergency backup.

A MOTION was made by Marples seconded by Kula for the purchase not to exceed \$8,000 for the emergency purchase of a sewer pump for the Crystal Springs Main pump Station. In favor: Cicerale, Kula, Marples, and Albanese.

Hamburg By-Pass – Marianne stated contact has not been made due to the holidays.

Developer Agreement – Mark stated Crystal Springs Builders has approved the agreement. Crystal Springs has indicated they would like to change the entity on the agreement. Mark suggested making the change by assignment after the agreement is fully executed as the bidding

was awarded to Crystal Springs Builders. The agreement was to be delivered to Mark today from Crystal Springs, it was not received.

Shotland Bauer LLC High Grove Performance Bond – Marianne stated Mark, Fred Semrau, and Bob Guerin had reviewed the Bond to ensure that the correct language exists as it relates to the HTMUA. The Bond reflects the appropriate language.

High Ridge Properties:

Payment Status – Gail stated 21 full and 1 partial quarters overdue with interest calculated to December 31, 2013 for a total due of \$623,970.16.

Mark inquired on the status of our inquiry as to the explanation of the charges received from Sussex Borough on behalf of High Ridge Properties. Gail stated a statement of the account was received and is in the correspondence packet. Gail will send out inquiry to Sussex Borough as to the computation of charges.

Sussex Borough Agreement – Marianne stated the agreement between Hardyston Township, HTMUA and Sussex Borough is completed. An explanation of the status of the property was explained. Mark stated the agreement allows the HTMUA to become whole and it clarifies the fact there is no recourse by Sussex Borough to the HTMUA. It also allows Sussex Borough to provide sewer allocation directly to the property without further involvement by the HTMUA in the future.

A MOTION to was made by Kula seconded by Albanese to approve the signing of the three party agreement between Hardyston Township, Sussex Borough and the HTMUA regarding the High Ridge Properties judgment and sewer allocation. In favor: Cicerale, Kula, Marples, and Albanese.

Ridgefield Commons Emergency Interconnection –

Mike stated nothing new at this time.

North Church Technical Center:

Mike stated nothing new to report at this time.

New Business

Mr. Cicerale will not be in attendance at next month's re-organization meeting and would like to appoint Mr. Kula as Vice-Chairman in order to serve as Chairman in the absence of the Chairman.

A MOTION was made by Albanese seconded by Marples to appoint Stanley Kula as Vice-Chairman of the HTMUA in the absence of the Chairman. In favor: Cicerale, Kula, Marples, Albanese.

PAYMENT OF BILLS:

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

CORRESPONDENCE:

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

OFFICER'S REPORTS:

Nothing at this time.

AT&T CELL TOWER:

Mark stated that mike has reviewed the plans and find them to be satisfactory. Communication with the township assessor, Scott Holzhauser was made inquiring how we are being assessed and what the effects the addition of the generator may or may not have. The assessor was not concerned with the addition of the generator only the income generated by the arrays. Based on calculations, the offer made by AT&T would increase approximately 7 ½%. If we accept their offer it will cover the increase in taxes.

A MOTION was made by Kula seconded by Albanese to accept the AT&T lease agreement amendment as presented. In favor: Cicerale, Kula, Marples, and Albanese.

SHARED SERVICES AGREEMENT – CFO:

Marianne stated there is a 2% increase and the agreement terms remain the same.

A MOTION was made by Kula seconded by Albanese to accept the shared service agreement for Certified Financial Officer (CFO) services between Sparta Township and the HTMUA. In favor: Cicerale, Kula, Marples, and Albanese.

2012-13 AUDIT REPORT:

Paul Cuva stated at the end of the year (August 31, 2013) the HTMUA had designated funds in the amount of \$1,950,410 and undesignated funds in the amount of \$858,425. Last year we had designated funds in the amount of \$2,081,203 and undesignated in the amount of \$957,294. We are pecking away at our unrestricted balances. We utilized \$96,000 in undesignated for operations, and used \$333,418 in renewal replacement reserve and \$43,144 in equipment reserve for the painting of the water tower and the purchase of the truck.

A concern is a letter we received from SCMUA regarding our flow. It was a very dry year. When it is a dry year we get charged more as our contract is based on a guaranteed minimum

flow. We received an adjustment to our 2013 billings from SCMUA in the amount of \$52,000. This may hit into our surplus.

As noticed in the audit report, we are not reporting fixed assets (water and sewer lines) on the new developments we are taking over. This was indicated in the opinion report. We are required to report these assets in our financial statements. This will need to be done. Mike suggested that we may be able to obtain this information from Crystal Springs. Further discussion was held.

Overall we are in decent financial shape.

PROFESSIONAL'S REPORTS:

Administrator – Nothing further

Operator – Nothing further

Billing Clerk – Gail stated the tax sale went through and any outstanding 2012 funds were covered. Next month is reorganization; we will need the professional proposals.

CFO – Not present.

Accountant –Not present.

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