

**MINUTES
HARDYSTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY
September 8, 2014**

The meeting of the Hardyston Township Municipal Utilities Authority was held on Monday, September 8, 2014, at the Municipal Building located at 149 Wheatsworth Road. Members present were Mr. Cicerale, Mr. Kula, Mr. Marples, Mr. Albanese, Mr. Roof, Mr. Kaminski, and Mr. O'Grady. Also present were Mike Vreeland, Mark Hontz, Paul Cuva, and Marianne Smith.

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 August 4, 2014 meeting. In favor; Cicerale, Kula, Marples, Albanese, Roof. Abstain; Kaminski, and O'Grady.

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.

Crystal Springs:

By Pass Upgrade/SCMUA – Mike stated Ron obtained three quotes to purchase and install the pumps. Quotes were received from R&R Pump and Control for \$15,200; Precision Electric Motor Works for \$15,985; Optec for \$16,400. Based on the quotes a recommendation is made to enter into a contract with R&R Pump and Control for \$15,200 to replace the two pumps, which will be reimbursed by SCMUA.

A MOTION was made by Albanese seconded by O'Grady to accept the quote from R&R Pump and Control in the amount of \$15,200 to purchase and replace the pump as it relates to the By Pass Upgrade. The cost shall be reimbursed, as per agreement, from SCMUA at the conclusion of the project. In favor: Cicerale, Kula, Marples, Albanese, Roof, Kaminski, and O'Grady.

Hamburg By-Pass – Marianne stated an attempt will be made to contact Hamburg.

High Ridge Properties:

Payment Status – Gail stated there are 24 full and 1 partial quarter due with interest calculated through August 31, 2014 for a total due of \$714,558.39.

Marianne stated the property has proceeded at the Council level to be filed for foreclosure. The time period on the tax sale lien has passed.

Ridgefield Commons Emergency Interconnection –

Marianne stated the current developer communicated that there is a new partner, which is the financial backer for the development. A closing should take place on September 15, 2014.

North Church Technical Center:

Marianne suggested an executive session towards at the end of the meeting.

New Business

Mark inquired on the Cell Tower property income response by the Township Assessor. Gail stated the information was provided by the CFO to the Town Assessor.

PAYMENT OF BILLS:

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

CORRESPONDENCE:

Mr. Kula questioned the notification of non-compliance which was received from the State. Mike explained the process, of which filing of results were not forwarded to the State in error. The filings were completed and sent to the State.

A MOTION was made by Kula seconded by Kaminski to accept the correspondence as presented. In favor: Cicerale, Kula, Marples, Albanese, Roof. Kaminski and O’Grady.

OFFICER’S REPORTS:

Nothing at this time.

BUDGET:

Paul Cuva stated after contacting the Stated, approval to adopt the budget was granted. There is no rate increase to the water portion with this budget. The expense portion of the budget was decreased by approximately \$8,000.

A MOTION was made by Kula seconded by Marples to open the meeting to the public in regards to the water budget.

No comments were heard from the public.

The meeting was closed to the public.

A MOTION was made by Kula seconded by Marples to adopt the water budget for fiscal year ending August 31, 2015. Total revenues of \$428,342, total appropriations of \$457,610 unreserved retained earnings utilized of \$29,268, 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, Albanese, Roof, Kaminski, and O'Grady.

Paul stated there is no rate increase to the sewer portion with this budget.

A MOTION was made by Kula to open the meeting to the public in regards to the Sewer budget.

Ms. Ingeborg Raab of 7 Beardslee Circle spoke in regards to the Sewer Budget. Ms. Raab has been a resident of crystal springs since 2000. She spoke of her concerns regarding meters not being read. She questioned if this would be done. She has been told several times that they are in the works for various reasons.

Marianne stated this is one of our target projects. There were other projects that manifested themselves unpredictably over the last couple of years. Marianne explained the process involved with meter reading. Once a rate is established there will be a base rate. Historically it is about 80% of the budget and 20% of the revenue that is needed.

Ingeborg stated she is familiar with other towns and that type of rate is not standard. Ringwood's water rate is fractional compared to Hardyston.

Marianne stated it is a project that needs a great deal of attention and concentration to complete.

Ingeborg stated the sewer rate should be based on usage, what goes in the sewage system comes out of the sewage. It is a mathematical equation.

Mike stated one of the difficulties we face is we have a service contract with the County MUA. The contract is based upon a fixed per gallonage rate whether it is used or not. We have a fixed cost that has to be recovered and calculated within our budget. There is not a lot of flexibility with this portion of the budget.

Mike stated there is a conference call being set up between the billing software vendor and the meter reading equipment vendor in the next couple of weeks. Based on the conversation it will give a basis of where we stand.

Ingeborg questioned if it would be done by next spring. Mike stated he is hopeful but unsure at this time.

Further discussion was held on the rates and the fixed costs.

The meeting was closed to the public.

A MOTION was made by Kula seconded by Marples to adopt the sewer budget for fiscal year ending August 31, 2015. Total revenues of \$909,953 total appropriations of \$1,084,735

unrestricted undesignated retained earnings utilized of \$174,832, 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, Albanese, Roof, Kaminski, and O'Grady.

Paul stated for next year the State is requiring 20-30 questions be answered in order to present and adopt the budget. The government is looking at several factors. The whole format will be different and will require more work to complete the budget.

PROFESSIONAL'S REPORTS:

Administrator – Nothing further

Operator – not present

Billing Clerk – Gail stated quarterly bills were mailed out Friday. This is our last billing of our fiscal year.

The fiscal year was completed and the books were closed on the billing end. The financial end is in the process of being closed out. We will then be ready for the audit to begin.

Shut offs for nonpayment took place August 28th. 14 residences were sent shut off notices. 12 paid or made arrangements, and 2 were shut off.

The tax sale list was prepared and presented to the tax collector. Seven properties were listed and are scheduled to be published this week. The tax sale will take place October 8th. The list is significantly lower than in past years.

CFO – not present

Accountant – Paul mentioned the water allocation permit which is sent to us every year should see a significant increase as witnessed in other towns.

Attorney – nothing further

Engineer – nothing further. Mr. Marples questioned the status of Well # 2. A certification of the well was completed approximately two months ago. The report was sent to the State and no questions were put forth.

OPEN PUBLIC PORTION:

The meeting was opened to the public. No members of the public were present.

The meeting was closed to the public.

A MOTION was made by Kaminski seconded by Marples to convene to executive session for the purposes of potential litigation.

Executive session minutes will be released at a later time.

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

Respectfully submitted,

Gail Hensal
Recording Secretary