

**MINUTES
HARDYSTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY
September 12, 2016**

The meeting of the Hardyston Township Municipal Utilities Authority was held on Monday September 12, 2016, 7:05 p.m., at the Municipal Building located at 149 Wheatsworth Road. Members present were Mr. Cicerale, Mr. Kula, Mr. Marples, Mr. Roof, Mr. Kaminski, and Mr. O'Grady. Absent; Mr. Albanese. Also present Ryan Scerbo, Paul Cuva, Mike Vreeland, Bob Shultz, 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 Roof, to approve the minutes of the August 1, 2016 meeting. In favor, Cicerale, Kula, Marples, Roof. Abstain; Kaminski, O'Grady.

OLD BUSINESS:

Indian Fields:

Phase II As-Built Plans- Mike stated there has been no word. The town attorney was looking into how the bonds can be called.

Phase III Conveyance – Mike stated Beazer Homes has completed most of the items on the punch list. Ryan has been working with their counsel and the one concern is Beazer made conveyance with a Quit Claim Deed in 2007, possibly out of frustration. They believe it was with the Homeowner's Association, but in fact it may not have been the correctly stated Association. Their counsel is researching this and will get back to us. We may ultimately do a three party conveyance, between the HTMUA, Beazer and the HOA to assure we get everything that we can get our hands on, from the entity that owns it, which is in question right now.

Marianne stated this may be more for executive session relative to the litigation. Our research shows no ownership, conveyance of lands passing hands to the HOA. Ryan believes this quit claim deed may not be properly filed.

Mike stated the outside consultant for Beazer Homes, Bill Bolton, questioned the maintenance bond length of time since all the improvements have been in the ground for a long time. Normally we require a two year maintenance bond. Beazer is asking if this time of period can be shortened. Discussion ensued.

Marianne requested executive session for the purpose of the discussion.

A MOTION was made by O'Grady and seconded by Roof to convene to executive session. The meeting went into executive session at 7:15 p.m. The minutes of the executive meeting will be released at a later date.

A MOTION was made by Marples, seconded by Kula to return to the regular meeting. The meeting returned to regular session at 7:38 p.m.

Bonds – discussed earlier

Well #2- Mike stated Bryan Sherock of NJDEP Northern enforcement was inquiring in regards to the status and future usage of Well #2. We perform the annual required inactive well inspection by a certified well driller and submit it to the NJDEP. Enforcement had sent a letter asking what are plans are for the Well as they are concerned that there is a well that has not been utilized in about 30 years. If there are no plans for use they would like us to seal it up and abandon it. The upside of Well #2 is that it has a high capacity and is remote from the other well heads. The down side is it is close to wetlands and it is not hooked up into the system. Mike explained the process to bring the well on-line and further discussion ensued.

Mike will send a follow up letter to the enforcement agent with an indication that the HTMUA will further discuss at the next meeting after reviewing our status with the other well.

Irrigation –

Marianne stated a conversation was held with the HOA, Ron and herself. The meters were replaced with the auto read meters and the backflow preventers were repaired, replaced and tested. The system has now been returned to the HOA and is now their responsibility.

Crystal Springs:

Shotmeyer - Mike stated Crystal Springs Builders has an outside interest from an investor. They requested a will serve letter and copies of resolutions regarding the Shotmeyer bypass construction from 2008. Ryan stated many utilities can provide a will serve letter. It is a general letter stating utility services are in the area specified, but it does not provide a guarantee. Mike and Ryan will draft a letter for approval at a future time.

High Ridge Properties:

Marianne stated the lien holder is negotiating on the suit. Ryan will reach out to Fred Semrau to check on the status as it relates to the HTMUA.

Mountain Ridge (Ridgefield Commons) Emergency Interconnection –

Mike stated there is nothing new to report other than the developer has requested an application through the planning board. There doesn't seem to be anything happening in the near future.

North Church Technical Center:

Mike stated a cost estimate was received from UNI, a company working with the stakeholders. The letter stated they wanted to proceed with a fire protection system, but not utilizing potable water system, which is the original system suggested. Further discussion was held regarding the various options.

Water Allocation Permit

Mike stated the NJDEP issued the water allocation permit. There are two conditions in the permit that we have to monitor wells for wetland impacts. If we wanted to have the condition removed we could submit a report at any time. If the reports indicate there is no impact in the last ten years and there is no reason to keep the condition the NJDEP can issue a modified water allocation permit. Mike is obtaining reports from Ron to get the process started.

YMCA

Mike stated the YMCA had announced an expansion of their facilities. We may ask the YMCA to obtain and file an application for sewer allocation. A letter will be drafted and sent.

New Business

Nothing new at this time.

PAYMENT OF BILLS:

A MOTION was made by Kula and seconded by O'Grady to pay the bills, for August 2016 as per the bill list. In favor: Cicerale, Kula, Marples, Roof, Kaminski, O'Grady.

CORRESPONDENCE:

Frank questioned the violation we received from State. Bob stated the chlorine residual reports are supposed to go to the state. The reports were sent originally, but for some reason not received. A second set of reports were sent and the violation removed.

A MOTION was made by Kula and seconded by Marples to accept the correspondence as presented, for September 2016. In favor: Cicerale, Kula, Marples, Roof, Kaminski, O'Grady.

OFFICER'S REPORTS:

Nothing at this time.

METERING:

Gail stated another reading was taken in Indian Fields. 50 meters were unreadable; verification of this is in process. In the Bourne section 5 meters were replaced, 8 verified and 3 repaired.

The Briar Crest section is in the process of being verified. We received 50 new meters for our inventory and we will begin utilizing them shortly. Letters were sent out to several neighborhoods within Crystal Springs and we are awaiting responses

2016-17 Budget/Rate Adoption:

Paul stated the proposed rates are \$892.00 per year or \$223.00 per quarter. This is an annual increase of \$50 per year or \$12.50 per quarter combined, water and sewer. The rate will take effect December 1, 2016.

Ryan stated that public notice was properly posted in the designated newspapers, Hardyston Township Clerk, and the Hardyston Municipal building.

The meeting was opened to the public for comment. No public was present. The meeting was closed to the public.

A MOTION was made by Marples, seconded by Mr. Kula to accept the water and sewer rate of \$892 annually; water \$ 254.00, sewer \$ 638.00 as presented with an effective date of December 1, 2016. In favor Cicerale, Kula, Marples, Albanese, Roof, Kaminski, and O'Grady.

**A RESOLUTION OF THE
HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
ADOPTING REVISIONS TO THE GENERAL WATER AND SEWER RATES
CONTAINED IN THE AUTHORITY'S RULES AND REGULATIONS**

WHEREAS, the Hardyston Township Municipal Utilities Authority (the "Authority") owns and operates a water supply system and a wastewater conveyance system servicing the residents of Hardyston Township (collectively the "Systems"); and

WHEREAS, the Authority previously adopted Rules and Regulations of the Hardyston Township Municipal Utilities Authority (the "Rules and Regulations"), which were last revised on June 2, 2014; and

WHEREAS, the Rules and Regulations contain a General Water Rate and a General Sewer Rate (collectively the "Rates"); and

WHEREAS, the Authority has determined it to be necessary to revise the Rates; and

WHEREAS, the Authority has published notice of its intent to revise the Rates in accordance with the requirements of N.J.S.A. 40:14B-23; and

WHEREAS, the Authority has held a public hearing to concerning the revised Rates; and

WHEREAS, the revised Rates are necessary for the smooth and efficient operation of the Authority and the Systems; and

NOW, THEREFORE, BE IT RESOLVED by the Board of the Hardyston Township Municipal Utilities Authority as follows:

1. That the Authority hereby adopts the revised Rates attached hereto and made a part hereof as Exhibit A.
2. That the Executive Director is hereby authorized and directed to work with the Authority's legal counsel to revise the Rules and Regulations to incorporate the revised Rates and publish the revised Rules and Regulations on the Authority's website.
3. That the Authority's billing specialist is hereby authorized and directed to provide notice of the revised Rules and Regulations to the Township Clerk.
4. That this Resolution shall take effect upon adoption.

Existing Rate	Proposed Rate
Water – \$278.00 - per annum	Water – \$254.00 - per annum
Sewer – \$564.00 – per annum	Sewer – \$638.00 – per annum

Paul stated the budget adoption resolution;

A MOTION was made by Kula seconded by Marples. WHEREAS, the Annual Budget and Capital Budget/Program for the Hardyston Township Municipal Utilities Authority for the fiscal year beginning September 1, 2016 and ending, August 31, 2017 has been presented for adoption before the governing body of the Hardyston Township Municipal Utilities Authority at its open public meeting of September 12, 2016; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$1,400,440, Total Appropriations, including any Accumulated Deficit, if any, of \$1,400,440 and Total Unrestricted Net Position utilized of \$0; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$600,000 and Total Renewal and Replacement Reserve planned to be utilized of \$600,000; and

NOW, THEREFORE BE IT RESOLVED, by the governing body of Hardyston Township Municipal Utilities Authority, at an open public meeting held on September 12, 2016 that the Annual Budget and Capital Budget/Program of the Hardyston Township Municipal Utilities Authority for the fiscal year beginning, September 1, 2016 and, ending, August 31, 2017 is hereby adopted and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services. In favor: Cicerale, Kula, Marples, Roof, Kaminski, and O'Grady.

By Pass Meter Maintenance – SCMUA:

Bob stated he has not heard back anything but will follow up.

Ryan stated, as requested, a review was done regarding the contract held with SCMUA for sewer allocation. Without surrendering allocation, there does not seem to be any provision or opportunity as the contract is written to avoid the guaranteed flow provision.

PROFESSIONAL'S REPORTS:

Administrator – An authorization to amend the billing/secretarial shared services contract is needed through the end of the year Township as the scope and the responsibilities will be amended. A MOTION was made by Marples seconded by O'Grady. In favor Cicerale, Kula, Marples, Roof, Kaminski, and O'Grady.

Operator – Bob stated Ron is having issues with residents complying with lead and copper testing requirements per the NJDEP. Several letters have been sent out to residents and no one is responding. This may cause an issue down the road with the NJDEP. Ryan stated a few water utilities are challenging the DEP requirements. At this point we are not sure what we may be able to do if we do not have a large enough pool of residents.

Billing Clerk – Gail stated the original list of 11 properties for tax sale has been reduced to 3 properties. These will be listed in the upcoming publication and the sale is scheduled in mid October.

Disconnect notices were mailed out to 14 accounts. All 14 accounts either paid or made payment arrangements.

The last billing quarter of the fiscal year was completed and the fiscal year and the financial books were closed and settled. We are now preparing for the new fiscal year and will notify Paul's office for the beginning of the annual audit.

A recommendation for a new rate letter for customers will be coordinated and presented for approval.

CFO –not present

Accountant – nothing further

Attorney – nothing further

Engineer – nothing further

OPEN PUBLIC PORTION:

The meeting was opened to the public.

As there were no members of the public present, the meeting was closed to the public.

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

Respectfully submitted,

Gail Hensal
Recording Secretary