

MINUTES
HARDYSTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY
March 6, 2017

The meeting of the Hardyston Township Municipal Utilities Authority was held on Monday, March 6, 2017 7:00 p.m., at the Municipal Building located at 149 Wheatsworth Road. Members present were: Mr. Cicerale, Mr. Kula, Mr. Marples, and, Mr. Roof. Absent: Mr. Kaminski, and Mr. O’Grady. Also present Ryan Scerbo, 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 Roof, to approve the minutes of the February 6, 2017 meeting. In favor, Cicerale, Kula, Marples, and Roof.

OLD BUSINESS:

Indian Fields:

Phase II As-Built Plans- Mike stated no updates.

Phase III Conveyance – Ryan stated he spoke with Beazer’s representative today. Documents have been passed on to the HOA from Beazer. It is our understanding that the HOA has not reviewed the documents as of yet. Otherwise, Beazer states all documents are in place and they are ready to close.

Bonds – Marianne stated she will contact Fred Semrau the township attorney again.

Well #3- Mike stated he spoke with the well driller and Pump Company. A condition of the water allocation permit is a long duration test which was to be run on Well #4, we also ran the test for Well #3. After review of the performance report, it was discovered the pumping level and system pressure information recommends a 7 ½ horsepower as opposed a 10 horsepower which is now being used. There should be some electrical savings and it should operate more efficiently. Installation will be slightly modified and show some costs savings. Hopefully, by next month’s meeting it should be completed and we will be able to report how well the pump has performed.

Repair Protocol – Ryan stated current rules and regulations state if access is not available to a home for meter changes, we have the ability to shut the water off. Mr. Cicerale stated concerns which we have are generated from repairs and who or how we can get information out to residents. Further discussion was held.

Crystal Springs:

Shotmeyer Tract/ Bypass- Mike stated an e-mail was received from Crystal Springs stating that the developer is still pursuing additional investors but no deals or agreements have been made.

If any updates are necessary prior to the next required update, a communication will be sent to Guerin & Vreeland.

High Ridge Properties:

Mr. Cicerale questioned if we are still receiving bills from Sussex Borough. Gail stated we were not receiving bills for a few years, but we are now receiving them again.

Mountain Ridge (Ridgefield Commons) Emergency Interconnection –

Mike stated nothing at this time.

North Church Technical Center:

Marianne stated there is nothing new but there is some forward movement with regards to internal issues. Mike is putting together an RFP for bid spec development.

New Business

Nothing new at this time.

PAYMENT OF BILLS:

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

CORRESPONDENCE:

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

OFFICER'S REPORTS:

Nothing at this time.

EMERGENCY GENERATOR CONTRACT:

Gail stated this is our annual generator service contract for all nine of our generator locations. It includes two visits per year; 1 full service and 1 site visit inspection. It does not include emergency visits/repairs. The total amount of the annual proposal is \$4,765.00. Two other quotes were requested from other vendors, but no proposals were submitted. Ryan stated all information was received in order. A MOTION was made by Kula seconded by Roof to accept the proposal as presented for emergency generator service in the amount of \$4,765.00 for the 2017 calendar year. In favor: Cicerale, Kula, Marples, and Roof.

EIT TRUST FUND:

Ryan stated he spoke with his firm's bond counsel regarding the process that would be necessary to obtain financing should you want to go through EIT. The EIT trust fund has two programs; a long program for asset management which once the asset management plan is submitted and should you go ahead with any projects listed within the plan and complete them, the loan is forgiven up to \$100,000. Financing for any projects would be 75% at 0% interest and 25% at market rate, which is about 1 ½%. The bond counsel looked at any agreements between the town and the MUA. You would have to create a document, which would amount to many hours or approximately \$20-\$25,000 in attorney fees. This is quite a big number for the MUA. Essentially the projects would have to be of such a numerous value then add attorney and auditor costs. Putting all the information together would be a very expensive endeavor at first but then it is all set. But, the town would have to guarantee the financing. Marianne stated there may be a pushback from the town as the MUA is autonomous from the township and as such is in a financial state that it would not be necessary. It shouldn't be the taxpayers, which are not part of the system, to cover financing should the MUA not be able to. Further discussion was held.

Mike stated he received the water tank evaluation for Crystal Springs. The inspection showed that there is lead paint on the outside of the tank. Recommendation is full containment of the tank, down to bare steel, repainting the entire exterior, and repainting the interior wet surface. Initially the recommendations were to spot check and paint the interior dry surface. After communication was held with the inspector it wouldn't make sense to have to repeat the process including the necessary water storage. Recommendation is to paint the entire interior surface and repairs such as hand railing installed on the roof of the tank, change the safety climb, and touch up the concrete around the foundation. The preliminary cost of the project for the painting is \$750,000, plus \$50-60,000 for temporary storage and inspection costs bringing the total project cost to approximately \$800,000.

The meter replacement project amounts to \$500,000. In two projects you're at a million or million and half and utilizing more than half of the renewal and replacement fund. If you were to go through the program and finance at a low rate with the principal forgiveness program and do an asset program at no cost, a fund such as this starts to make sense.

Ryan and Mike mentioned a Nano program for small water utilities. Mike and Ryan further explained the program. Further discussion was held.

METERING:

Gail stated approximately 28 accounts were sent follow up letters for changing meters. Bob has indicated that he is receiving phone calls, of which details have not been received yet. Copies of those letters were sent to the corresponding HOA's and HOA president. No response was received from the HOA's, but calls were received from the HOA president's indicating that they were confused or unhappy that they were receiving letters.

Mike stated we started looking at the costs of running the metering replacement/repairs as it is now. During the initial discussion with the meter vendor regarding a meter replacement program

the cost to replace all the meters is approximately \$105.00 per meter. When we began sending letters out to property owners we were hoping that Bob would be able to replace 2-3 meters at a trip. But, we aren't receiving the cooperation we had hoped for. His trips average a little more than 1 per trip. This makes the in-house cost, including Gail's labor to send out all the letters at approximately \$117.00 per meter. Bob and Mike explained the process that an outside vendor would perform. Bob further explained the difficulties entailed in the present meters in the system. Once the metering has begun the issues which we will encounter, could be insurmountable. Another question is who will take care of repairs when a developer is no longer present and the section within the system is not owned by the HTMUA?

Mike discussed a current situation in front of the Crystal Springs when a leak was discovered in front of the hotel. No one was available from Crystal Springs. Ron engaged FSC Leak Detection service. A leak in an irrigation line was discovered. The irrigation line was not indicated on the original plans and we were not aware that it existed. Crystal Springs is supposed to schedule the repair, of which we have not been received the scheduled date. Further discussion was held as to who is responsible for the repairs and cost.

Bob stated next month we will have more information which we would like to discuss regarding operations, costs, repair protocol.

PROFESSIONAL'S REPORTS:

Administrator – nothing further

Operator – nothing further

Billing Clerk – Quarterly bills will be mailed tomorrow, reflecting the new current rate.

CFO –not present

Accountant – nothing present

Attorney – Ryan stated we may need to revise the Rules and Regulations to reflect electronic payments. We can consider this during our next revision.

Engineer – Mike stated the DEP sent a letter regarding deficiencies in the sampling plan. The letter was dated February 13th and we did not receive it until 8 days later. The DEP expected a response a couple of days after we received it. Mike contacted the DEP and stated we have meetings once a month and would need permission to respond. These are new items the DEP is looking at because of conditions and issues in other states.

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 Kula to adjourn, meeting adjourned.

Respectfully submitted,

Gail Hensal
Recording Secretary