

HMUA MINUTES

REGULAR
MEETING OF

OCTOBER 09, 2012

ADMINISTRATION BUILDING
424 Hurley Drive
Hackettstown, NJ

REGULAR MEETING OF OCTOBER 9, 2012
JACOB GARABED ADMINISTRATION BUILDING

The meeting was called to order by Chairperson Kelly at 8:01 P.M.

Roll call indicated the following members in attendance: Kelly, Harper and Brown.

Also attending: Counselor Zaiter, Engineer David Klemm, Executive Director Smith, Deputy Director Perry and Recording Secretary Palma.

Chairperson Kelly announced that adequate notice of this meeting has been given to the area press and the Town of Hackettstown, and shall be convened and conducted in accord with the requirements of the Open Public Meetings Act.

Chairperson Kelly led a salute of the United States Flag.

Chairperson Kelly indicated that approval of the September 11th Regular Meeting to be the next agenda item. A motion to approve the minutes was made by Brown being seconded by Harper with Kelly, Harper and Brown voting yea.

Chairperson Kelly indicated that approval of the September 11th Executive Session to be the next agenda item. A motion to approve the minutes was made by Harper being seconded by Brown with Kelly, Harper and Brown voting yea.

Chairperson Kelly opened the meeting to public participation and noted there were no members of the public present.

Chairperson Kelly stated the next agenda item was discussion and possible action regarding any project Change Orders.

Executive Director Smith indicated that there were no Change Orders.

Chairperson Kelly stated that Resolutions pertaining to financial transactions to be the next order of business.

The following Resolution #12-2888 was proposed by Brown who moved its adoption:

Resolution #12-2888A

BE IT RESOLVED, that the following Operations Expense Requisitions be formally approved:

Dated:	September 07,2012	OEA-984	SL-21	\$134,811.83
Dated:	September 21,2012	OEA-985	SL-22	<u>87,002.83</u>
			Total	\$221,814.66

Resolution #12-2888B

BE IT RESOLVED, that the following Construction Aid Fund Requisition #CAF-359 be formally approved:

REQUISITION #CAF-359

Treasurer, State of NJ	Claremont Main–C/M/O Permit	\$ 2,500.00
Morris Cty. Soil Cons.	Permit Application Fee-Well 9	450.00
Treasurer, State of NJ	Permit Application Fee-Well 9	7,750.00
Maser Consulting P.A.	Professional Services	<u>1,670.00</u>
	Total	\$ 12,370.00

Resolution #12-2888C

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-178 be formally approved:

REQUISITION #RR-178

Badger Meter, Inc.	5/8” Meters	\$ 13,150.00
Innovative Arc Tubes	UV Lamps	7,769.12
O’Brien & Gere Engineers	Professional Services	937.50
Spartan Tool LLC	Pro Touch Video System	6,185.00
Town of Hackettstown	Milling/Paving: Vail Street	<u>20,616.90</u>
	Total	\$ 48,658.52

The Resolution was seconded by Harper and upon roll call vote carried: Ayes: Kelly, Harper and Brown, voting yea.

It was suggested that the Board move to the Engineer’s report as to not detain Engineer Klemm. All Board Members agreed.

Chairperson Kelly requested the Project Engineer Klemm proceed with the Engineer’s Report. Projects Engineer Klemm discussed the report, which was submitted to the Board prior to the meeting (attached).

Chairperson Kelly stated the next agenda item was discussion and possible action to approve the Water Utility Annual and Capital Budgets for fiscal year 2013.

Board Member John DiMaio entered the meeting.

At this point, Recording Secretary Palma exited the meeting.

The Executive Director and Deputy Director presented various aspects of the proposed Budgets and answered several questions. Discussion continued regarding the Water and Sewer Utility Budgets with all in attendance participating.

At this point, the Executive Director, Deputy Director, Counselor and Engineer left the meeting.

Recording Secretary Palma, the Deputy Director, Counselor, and Executive Director re-entered the meeting.

A limited discussion followed on the Water Utility Annual and Capital Budgets for fiscal year 2012/2013 and the following Resolution #11-2889 was proposed by John DiMaio who moved its adoption:

WHEREAS, the Water Operations Annual Budget and Capital Budget for the Town of Hackettstown Municipal Utilities Authority for the Fiscal Year beginning December 1, 2012 and ending November 30, 2013 has been presented before the Governing Body of the Town of Hackettstown Municipal Utilities Authority at its open public meeting of October 09, 2012; and,

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$1,954,000, Total Appropriations including any Accumulated Deficit if any, of \$3,899.625, and Total Unrestricted Net Assets utilized of \$1,945,635; and,

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$3,275,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, \$0; and,

WHEREAS, the schedule of rates, fees, and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and,

WHEREAS, the Capital Budget / Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget must be granted elsewhere, by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means as provided by law.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the Town of Hackettstown Municipal Utilities Authority at an open public meeting held on October 09, 2012 that the Annual Budget, including Supplemental Schedules, and the Capital Budget / Program of the Town of Hackettstown Municipal Utilities Authority for the Fiscal Year beginning December 1, 2012 and ending November 30, 2013 is hereby approved; and,

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures / expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts and other pledged agreements; and,

BE IT FURTHER RESOLVED, that the Governing Body of the Town of Hackettstown Municipal Utilities Authority will consider the Annual Budget and Capital Budget / Program for adoption on November 12, 2012.

This Resolution was seconded by Brown and upon roll call vote carried: Ayes: Kelly, Brown, John DiMaio and Harper voting yea.

Chairperson Kelly stated the next agenda item was discussion and possible action to approve the Sewer Utility Annual and Capital Budgets for Fiscal year 2013.

Upon completion of discussion concerning Sewer Utility Annual and Capital Budgets for fiscal year 2012/2013, Resolution #11-2890 was proposed by Harper who moved its adoption:

WHEREAS, the Sewer Operations Annual Budget and Capital Budget for the Town of Hackettstown Municipal Utilities Authority for the Fiscal Year beginning December 1, 2012 and ending November 30, 2013 has been presented before the Governing Body of the Town of Hackettstown Municipal Utilities Authority at its open public meeting of October 09, 2012; and,

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$2,494,000, Total Appropriations including any Accumulated Deficit if any, of \$2,372,900, and Total Unrestricted Net Assets utilized of \$0; and,

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$550,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, \$0; and,

WHEREAS, the schedule of rates, fees, and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and,

WHEREAS, the Capital Budget / Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget must be granted elsewhere, by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means as provided by law.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the Town of Hackettstown Municipal Utilities Authority at an open public meeting held on October 09, 2012 that the Annual Budget, including Supplemental Schedules, and the Capital Budget / Program of the Town of Hackettstown Municipal Utilities Authority for the fiscal year beginning December 1, 2012 and ending November 30, 2013 is hereby approved; and,

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures / expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts and other pledged agreements; and,

BE IT FURTHER RESOLVED, that the Governing Body of the Town of Hackettstown Municipal Utilities Authority will consider the Annual Budget and Capital Budget / Program for adoption on November 12, 2012.

This Resolution was seconded by Brown and upon roll call vote carried: Ayes: Kelly, Brown, John DiMaio and Harper voting yea.

Chairperson Kelly stated the next agenda item was discussion and possible action to authorize bidding of the Claremont Water Main Project.

After a brief discussion, the following Resolution #12-2891 was proposed by John DiMaio who moved its adoption.

WHEREAS, Hatch Mott Mac Donald Engineering was previously authorized to prepare the plans and specification for the bidding of the Claremont Water Main Replacement Project; therefore,

BE IT RESOLVED, pending a final review by the Executive Director and Deputy Director, the Town of Hackettstown Municipal Utilities Authority hereby authorizes the advertisement and acceptance of bids for the Claremont Water Main Project.

This Resolution was seconded by Brown and upon roll call vote carried: Ayes: Kelly, Brown, John DiMaio and Harper voting yea.

At this point, Chairperson Kelly requested Deputy Director Perry to proceed with his report.

Deputy Director Perry began by stating work has begun to abandon the Mine Hill Reservoir. He stated that the lines from the reservoir have been cut and capped and the Mine Hill Meter Building is being demolished. Once the abandonment of the Mine Hill Reservoir is completed, they will begin the work on the Burd Reservoir.

Perry also stated the Authority is working on installing meter pits on customers' lines that have water services greater than 100 feet in length. He confirmed that one has already been installed on the Elks Lodge on Mountain Ave.

Perry concluded by stating, as previously discussed, he will look into registering in the courses offered by American Management Association.

Upon completion of the Deputy Director's report, Chairperson Kelly requested the Executive Director to proceed with his report.

Executive Director Smith began by stating he and John met with Andrew Holt and Robert Kugler from Suburban Consulting regarding the WPCP construction project. Smith stated that he did not believe that there would be any change orders related to the Engineering for the project.

Smith continued by stating he testified today on the All Season Properties case. Smith believes everything went very well and the attorneys have until October 30th to submit the Closing Briefs and their respective responses. He stated that John

attended the trial while he was on vacation, and it was very helpful to have John keep him informed of the progress.

Chairperson Kelly requested Counselor Zaiter to proceed with his report.

Counselor Zaiter reported that a settlement has been reached in the Goodland Country Club case. Goodland has agreed to pay \$2,700 of the outstanding balance on their account and will now pay for all future water service charges.

Counselor Zaiter also reported that he has filed a counter claim relating to the Harvestone Farms matter, and they have until December 7, 2012 to respond. He stated he would keep the Board informed of any developments.

Chairperson Kelly requested whether anyone had business of a general nature to discuss.

Board Member John DiMaio questioned, if possible he would like to change the November Board Meeting from Tuesday the 13th to Monday, November 12th.

A motion was made by John DiMaio to change November's Board Meeting from Tuesday November 13th to Monday November 12th at 8:00 PM. This motion was seconded by Harper and upon roll call vote carried: Ayes: Kelly, Brown, John DiMaio and Harper voting yea.

Board Member Brown suggested that the Authority reimburse the registration fee for the Board Members that wish to attend the League of Municipalities Conference.

A motion was made by Brown to reimburse the League of Municipalities Conference Registration Fee for any Board Member that wishes to attend the League of Municipalities conference. This was seconded by John DiMaio and the vote carried: Ayes: Kelly, Brown, John DiMaio and Harper voting yea.

There being no additional comments or discussion, Chairperson Kelly declared a motion to adjourn would be in order and was so moved by John DiMaio, seconded by Brown and followed by a unanimous voice vote.

Time – 10:20 P.M.

Bruce D. Smith
Executive Director & Secretary