

**MINUTES**  
**TOWNSHIP OF HILLSBOROUGH**  
**MUNICIPAL UTILITIES AUTHORITY**

**WEDNESDAY, September 27, 2017**

The Township of Hillsborough Municipal Utilities Authority met at a regular monthly meeting on Wednesday, September 27, 2017, with the following members present:

Michael Avolio  
Richard Nunn  
Frank Scarantino  
Robert McCray

Also present were Scott Lynn, Executive Director and Peter Cipparulo III, General Counsel. Absent was member Greg Burchette.

**Announcement – Open Public Meetings Act**

Following the roll call, Chairman Avolio made the following announcement: In accordance with the provisions of the Open Public Meetings Act, P.L. 1975, c. 231, as amended, notice of this meeting was duly provided as part of the annual meeting notice on March 3, 2017.

**Approval of Minutes**

Chairman Avolio moved that the minutes of the meetings of June 28, 2017 be approved as recorded by the Executive Director. The motion was seconded by Mr. McCray, and the roll call vote was: Chairman Avolio –yes, Mr. Scarantino – yes, Mr. McCray – yes, and Mr. Nunn – yes.

**BUSINESS FROM THE FLOOR**

No business from the floor.

**MATTERS FOR CONSIDERATION**

**Twp. of Hillsborough – Groundwater Discharge – Underground Storage Tank Site**

Mr. Lynn reported there was no breakthrough reported for the period.

**Resolution to Renew a One Year Contract – Consultant Daniel Reiter, LLC -**

Mr. Lynn reported to the Board that Mr. Reiter's contract was up for renewal. Mr. Lynn stated Mr. Reiter is a key role of the Maintenance Department as he is able to train the other Maintenance employees of the Authority on the different aspect of the systems including new technology and improvements that would be forthcoming. Mr. Lynn reported that Mr. Reiter has been doing a fine job and recommends renewal of Mr. Reiter's contract.

WHEREAS, there exists a need for the services of an Operations Consultant to The Township of Hillsborough Municipal Utilities Authority; and

WHEREAS, funds are available and included in the budget for this purpose, and

WHEREAS, the Authority has determined after much consideration and conversations to renew a one (1) year contract to Dan Reiter, LLC who is qualified; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that the resolution authorizing the award of contracts for "Professional Services" without competitive bidding be publicly advertised;

NOW, THEREFORE, BE IT RESOLVED by The Township of Hillsborough Municipal Utilities Authority as follows:

1. The contract is awarded without competitive bidding as a "Professional Service" because consulting services are exempt from bidding under N.J.S.A. 40A:11-1-2 (6) (a).
2. The Chairman and Treasure hereby authorized and directed the Executive Director of the Authority to execute a one year agreement at a rate of \$40.87 per hour between Dan Reiter, LLC and the Authority.
3. The Executive Director shall publish a notice of the award of said contract in the Courier News and the Hillsborough Beacon in accordance with the provisions of the Local Public Contracts Law.

The resolution and motion were seconded by Mr. McCray, and the roll call vote was: Chairman Avolio – yes, Mr. McCray - yes, and Mr. Scarantino – yes, and Mr. Nunn – yes.

**Resolution – Adopting Revised 5 Year Capital Plan**

Mr. Lynn stated he has reviewed the 5 Year Capital Plan in preparing the budget and determined that some of the estimates needed to be adjusted. He pointed out those completed projects and those where costs estimates needed adjusting.

The members reviewed the Capital Plan and Mr. Nunn introduced the following resolution and moved it be adopted:

WHEREAS, the Capital Plan approved by the Authority on September 27, 2017, will require estimated expenditures of \$4,538,000;

NOW, THEREFORE, BE IT RESOLVED that the Authority continues its policy of maintaining the following reserves to be utilized for said expenditures, thereby eliminating the need to issue additional bonds:

Reserve for Capital Improvements – not to exceed \$4,500,000

Reserve for System Replacement – not to exceed \$1,000,000

The resolution and motion were seconded by Mr. McCray and the roll call vote was: Chairman Avolio – yes, Mr. Nunn – yes, Mr. McCray – yes, and Mr. Scarantino – yes.

### **Proposed Operating and Capital Budgets – Fiscal Year Ending Nov. 30, 2018**

Mr. Lynn stated copies of the proposed budget have been distributed to the members for review. It is now in order that the resolution approving said budgets be considered. The proposed budgets will then be forwarded to the Division of Local Government for review and approval prior to our public hearing to formally adopt the budget on November 21, 2017.

With increasing costs of operation, primarily health benefits, increased maintenance of our facilities, pensions, and higher energy costs we will have to utilize funds from the Reserve for Rate Stabilization to balance our budget (\$310,603). This does not mean we will definitely use these funds but at this point they are needed to balance the proposed budget. Some good news regarding these funds is that with the anticipated overage from our 2017 budget, which as you know is designated to go to the Rate Stabilization Fund, we will immediately replenish the funds anticipated in the current budget.

The proposed annual budget represents an increase in anticipated revenues of 2.38% from the current year's budget, mainly due to the increase in total revenues. The increase in revenues is offset by a 1.0% increase in total appropriations thus resulting in a balanced budget.

As you know a significant part of our budget is the SRVSA cost to the Authority. The only true method to stabilize our SRVSA costs, is to continue our ongoing I & I program to reduce the I & I from our system.

The Capital Budget reflects a revised 5 Year Capital Improvement Plan which we also need to adopt at our meeting. As you can see I have proposed an aggressive Capital Budget for 2018, but as always, all projects must be approved by the members prior to commencing.

WHEREAS, the Annual Budget and Capital Budget for the Township of Hillsborough Municipal Utilities Authority for the fiscal year beginning, 12/1/17 and ending 11/30/18 has been presented before the governing body of the Township of Hillsborough Municipal Utilities Authority at its open public meeting of September 27, 2017; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$6,172,423, Total Appropriations, including any Accumulated Deficit if any, of \$6,483,026 and Total Unrestricted Net Assets utilized of \$310,603; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$1,470,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$1,470,000; 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 provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Township of Hillsborough Municipal Utilities Authority, at an open public meeting held on September 27, 2017 that the Annual Budget, including appended Supplemental Schedules, and the Capital Budget/Program of the Township of Hillsborough Municipal Utilities Authority for the fiscal year beginning, 12/01/17 and ending 11/30/18, 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 Township of Hillsborough Municipal Utilities Authority will consider the Annual Budget and Capital Budget/Program for adoption on November 21, 2017.

The motion and resolution were seconded by Mr. Burchette, and the roll call vote was: Chairman Avolio – yes, Mr. Nunn – yes, Mr. McCray – yes, and Mr. Scarantino - yes.

**Resolution – Transfer of Funds – Plan Review - September 27, 2017**

Mr. Nunn introduced the following resolution and moved that it be adopted:

BE IT RESOLVED that funds be transferred from the Developer's Deposit Account to the Plan Review Revenue Account as follows:

<u>DEVELOPMENT</u>	<u>AMOUNT</u>
Chase Hillsborough	\$1,480.00
<b>TOTAL</b>	<b>\$1,480.00</b>

The resolution and motion were seconded by Mr. McCray, and the roll call vote was: Chairman Avolio – yes, Mr. Nunn – yes, Mr. McCray – yes, and Mr. Scarantino – yes.

**Update – Sunny Mead Pump Station**

Mr. Lynn reported to the Board that we experienced a complete shutdown at the Sunny Mead Pump Station merely a couple of days ago. Our crews acted quickly to get the station back up and running. It was determined that the controller that runs the pumps had failed. This controller, being quite old, runs the pumps in automatic mode. The controller being quite old has served its operating life and age was the reason for the failure. Mr. Lynn reported that Pumping Services was brought in as an emergency to retrofit a temporary controller until a replacement unit could be found. As such, we are renting the temporary controller in order to keep the station running in automatic mode. Mr. Lynn also stated that no spillage had occurred as a result of the station being offline for the short period of time.

**Resolution – River Road Pump Station As-Built**

Mr. Lynn reported to the Board several months ago that the improvements to the River Road Pump Station has been completed. As a result, Mr. Lynn recommends that an updated as-built of the pump station site be completed for our files and records.

After further discussions, it was agreed that an as built should be prepared.

WHEREAS, the Authority has determined it is necessary to prepare an as built plan for the River Road Pump Station.

WHEREAS, it was determined to obtain the lowest quote to perform the as built and Mr. Lynn stated the cost should not exceed \$3,900.00

NOW, THEREFORE, BE IT RESOLVED by the Township of Hillsborough Municipal Utilities Authority that it hereby approves the as built plan with a not to exceed \$3,900.00.

The resolution and motion were seconded by Mr. Nunn, and the roll call vote was: Chairman Avolio – yes, Mr. McCray – yes, and Mr. Nunn – yes, and Mr. Scarantino – yes.

**Resolution – Approval to prepare a Wetland Investigation and Environmental Study of the Sunny Mead Pump Station Site.**

Mr. Lynn reported, prior to the start of the planning phase for the upgrades and improvements to the Sunny Mead Pump Station site that we have to determine if any and where any wetlands and environmental sensitive areas might be located onsite. Mr. Lynn stated that a Letter of Interpretation (L.O.I.) should be obtained from NJDEP. In order to secure an L.O.I. an environmental assessment, including flagging has to be prepared and mapped. The first stage in doing so is to contract an environmental and engineering firm to delineate and located any wetland/environmental sensitive areas. Mr. Lynn stated that Van Note- Harvey, the Authorities Engineer, was asked to provide a quote to perform such services.

After further discussions by the members, Mr. Lynn recommended the hiring of Van Note – Harvey to perform the on-site environmental investigation and secure the L.O. I. from NJDEP.

WHEREAS, the Authority has determined it is necessary to prepare and submit to NJDEP for an L.O.I. at the Sunny Mead Pump Station.

WHEREAS, Mr. Lynn stated that funds are allocated for such services in the Capital Budget.

WHEREAS, Mr. Lynn received a quote to perform such services in the amount of \$9,800.00 from Van Note – Harvey,

NOW, THEREFORE, BE IT RESOLVED by the Township of Hillsborough Municipal Utilities Authority that it hereby approves the hiring of Van Note – Harvey to perform the services required as stated above with a not to exceed amount of \$9,900.00.

**AEA Convention**

Mr. Lynn reminded the Board members of the AEA Conference and NJ League of Municipalities Convention in Atlantic City on November 14 and 15, 2017. Mr. Lynn also informed the members the AEA conference and events will be held at Caesars.

**Resolution – Renewal of JIF Membership**

Mr. Lynn informed the members that the Authority's membership in the Municipal Utilities Authority Joint Insurance Fund is up for renewal. The renewal cycle is every two years. Mr. Lynn reported that the JIF issued a dividend in the amount of \$8,409.89 which was applied to the 2017 assessment.

After further discussion, Mr. Nunn introduced the following resolution and moved it be adopted:

WHEREAS, the Township of Hillsborough Municipal Utilities is a member of the New Jersey Utility Authorities Joint Insurance Fund; and

WHEREAS, said renewed membership terminates as of December 31, 2017 unless earlier renewed by agreement between the Authority and the Fund; and

WHEREAS, the Authority desires to renew said membership;

NOW THEREFORE, BE IT RESOLVED as follows:

1. The Township of Hillsborough Municipal Utilities agrees to renew its membership in the New Jersey Utility Authorities Joint Insurance Fund and to be subject to the Bylaws, Rules and Regulations, coverage's, and operating procedures thereof as presently existing or as modified from time to time by lawful act of the Fund.
2. The Township of Hillsborough Municipal Utilities Authority shall be and hereby is authorized to execute the agreement to renew membership annexed hereto and made a part hereof and to deliver same to the New Jersey Utility Authorities Joint Insurance Fund evidencing the Authority's intention to renew its membership.

The motion and resolution were seconded by Mr. McCray and the roll call vote was: Chairman Avolio – yes, Mr. Scarantino – yes, Mr. McCray – yes, and Mr. Nunn – yes.

#### **SRVSA Report**

No report.

#### **Claims List Approval**

Mr. Nunn introduced the following resolution and moved that it be adopted:

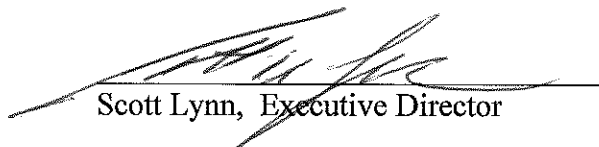
BE IT RESOLVED that the following claims list dated September 27, 2017 be approved and the Treasurer be authorized to issue checks in payment of said claims.

Operating Fund Claims List	- \$152,419.05
Inspection Trust Fund Claims List	- \$ 30,552.00

The motion and resolution were seconded by Mr. McCray and the roll call vote was: Chairman Avolio – yes, Mr. McCray – yes, Mr. Nunn – yes, and Mr. Scarantino – yes.

#### **Adjournment**

There being no further business to come before the meeting, Mr. Nunn moved that the meeting be adjourned. The motion was seconded by Mr. McCray and the roll call vote was unanimous for adjournment.

  
Scott Lynn, Executive Director