

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

**WEDNESDAY, September 26, 2018**

The Township of Hillsborough Municipal Utilities Authority met at a regular monthly meeting on Wednesday, September 26, 2018, with the following members present:

Michael Avolio  
Richard Nunn  
Frank Scarantino  
Robert McCray

Also, present were Scott Lynn, Executive Director and Mr. Mark Wetter, General Counsel.

**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 9, 2018.

**Approval of Minutes**

Chairman Avolio moved that the minutes of the meetings of July 28, 2018 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 – abstain, and Mr. Nunn – yes.

**BUSINESS FROM THE FLOOR**

No business from the floor.

**MATTERS FOR CONSIDERATION**

**Oath of Office**

**Appointing Robert Damiano to an Unexpired Term of Greg Burchette, to the Board of The Hillsborough Municipal Utilities Authority**

Mr. Lynn reported that Mr. Damiano was appointed by the Hillsborough Township Committee to fill an unexpired term of Greg Burchette until January 31, 2021.

The oath of office was then administered by Scott G. Lynn, to newly appointed member, Robert Damiano, for a term to end January 31, 2021. The members congratulated Mr. Damiano on his appointment to the board.

**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 26, 2018, will require estimated expenditures of \$5,360,000.

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 \$5,500,000

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, 2019**

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 28, 2018.

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 (\$308,467). 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 2018 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 4.0% 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 2019, 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, 12/1/18 and ending 11/30/19 has been presented before the governing body of the Township of Hillsborough Municipal Utilities Authority at its open public meeting of September 26, 2018; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$6,324,730 Total Appropriations, including any Accumulated Deficit if any, of \$6,633,197 and Total Unrestricted Net Assets utilized of \$308,467; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$1,495,00 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$1,495,000; 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 28, 2018 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, 12/01/18 and ending 11/30/19, 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 28, 2018.

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

**Resolution – Purchase of a TV Video Inspection Van**

Mr. Lynn has stated that current Dodge TV Van used in the Inspection department will need to be taken out of service and replaced. The current Dodge van has high mileage and the reliability lately has put an urgency on its replacement. The van has served the Authority well over years but has exceeded its service life. As such, Mr. Lynn recommends the purchase of a 2018 Ford Van off of the State of New Jersey Procurement Bureau having a contract number #A88211.

After further discussions by the members Mr. Nunn introduced the following resolution and moved it be adopted:

WHEREAS, there is a need to replace the TV Video Van for the Inspection Department and the purchase of the new vehicle is accounted for in the Budget;

WHEREAS, the purchase of a 2018 Ford Transit 350 having a State of NJ contract number #A88211 be approved at the State contract price not to exceed \$27,829;

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby approve the purchase of the TV Video Van Inspection vehicle as needed:

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

**Resolution – Plan Approval Mr. Schumacher, Lot 9 in Block 76 and Lot 1 in Block 79**

WHEREAS, Mr Schumacher, owner of the above mentioned lots located on Sunnymead Road Hillsborough, NJ, has requested a sanitary sewer connection of his properties consisting of two (2) residential dwellings to the Authority's sanitary sewer system via a grinder pump and low pressure force main; and

WHEREAS, the onsite wastewater disposal system is failing and a gravity sewer line connection in Sunnymead Road is available for a connection of this property. However, the gravity line in Sunnymead Road is at an elevation where gravity flow would not be possible. As a result, the property will be able to tie into the gravity sewer located in Sunnymead Road with the use of an on-site, privately maintained grinder pump; and

WHEREAS, the Authority recognizes the need for the connection of the two dwellings to alleviate the failing septic system, and

WHEREAS, an application has been received from Mr Schumacher for a sanitary sewer extension to service 2 residential dwellings Sunnymead Road; and

WHEREAS, plans for said sanitary sewer extension as prepared by Van Cleef Engineering Associates, dated June 20, 2018 consisting of two (2) sheets, have been reviewed;

NOW, THEREFORE, BE IT RESOLVED, based on the recommendation of Scott Lynn, Executive Director that said plans be approved subject to the following conditions:

1. Mr. Gary Schumacher, the current property owner, and any other property owners thereafter, should they not be the same, is responsible to disconnect the temporary connection and replace it with a 4-inch gravity lateral and reconnect its lateral to the sanitary sewer system in accordance with the Authority's specifications at such time a gravity connection is available regardless of cost and direction of the lateral location.
2. All costs associated with the temporary connection and the gravity reconnection to the Authority's sanitary sewer system is the sole responsibility of the owner of the above mentioned lots and at no point shall the Authority or Township incur any cost associated with the future connection.
3. Approval from the Somerset Raritan Valley Sewerage Authority and the New Jersey Department of Environmental Protection, as may be required. The Authority specifications shall be included in the treatment works approval application.
4. As-built plans of the sanitary sewers constructed shall be prepared by the developer's engineer. Two (2) sets shall be provided to the Authority in reproducible form on mylar.
5. Inspection Fees in the amounts established by the Authority shall be provided to the Township Municipal Utilities Authority prior to the start of construction.
6. The connection is considered temporary.
7. The maintenance of the on-site grinder pump and apparatus shall be that of the homeowner including all delivery lines of sanitary sewer up to the right-of-way of Sunnymead Road.

BE IT FURTHER RESOLVED, that plans be forwarded to the Somerset Raritan Valley Sewerage Authority and the N.J. Department of Environmental Protection, if required, for approval and the Executive Director be authorized to execute applications required in connection with said submittal.

INTRODUCED BY: Mr. McCray

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

I, Scott G. Lynn, Certifying Officer of the Hillsborough Township Municipal Utilities Authority, hereby certify that the above is a true and correct copy of a resolution adopted by the Authority at a meeting duly convened on September 26, 2018.

**Resolution – Plan Approval Sanitary Sewer Connection, Scott Lutzky, Lots 4 and 4.01 in Block 152, Farm Road**

WHEREAS, an application has been received from Van Cleef Engineering Associates, on behalf of the applicant for a proposed sanitary extension to service four (4) new single family dwellings and one (1) existing, remaining single family dwelling for a total of 5 new connections in Block 152, Lots 4 and 4.01 with; and

WHEREAS, plans for said Site Plan as prepared by Van Cleef Engineering Associates, dated June 30, 2017 revised through August 15, 2018 consisting of eleven (11) sheets, have been reviewed;

NOW, THEREFORE, BE IT RESOLVED, said plans be approved subject to the following conditions:

1. Approval of the Somerset Raritan Valley Sewerage Authority and the New Jersey Department of Environmental Protection. The Authority specifications, signed and sealed by Jerome A. Harris, P.E., shall be included in the treatment works approval application.
2. As-built plans of the sanitary sewers constructed shall be prepared by the developer's engineer. Two (2) sets shall be provided to the Authority in reproducible form on mylar.
3. Performance Bond and inspection fees in the amounts established by the Authority shall be provided to the Township of Hillsborough Municipal Utilities Authority for the proposed sewerage facilities prior to construction.
4. A Maintenance Bond in the amount and form required by the Township of Hillsborough Municipal Utilities Authority shall be provided to the Authority for a period of up to two (2) years from the date of release of the Performance Bond.
5. Conveyance of all applicable sanitary sewer easements to the Township of Hillsborough Municipal Utilities Authority.
6. Approval shall remain in effect for a period of two (2) years, at which time if construction of the facilities has not been initiated, re- approval will be required.

BE IT FURTHER RESOLVED, that plans be forwarded to the Somerset Raritan Valley Sewerage Authority and the N.J. Department of Environmental Protection for approval and the Executive Director be authorized to execute applications required in connection with said submittal.

INTRODUCED BY: Mr. Nunn

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

I, Scott G. Lynn, Certifying Officer of the Hillsborough Township Municipal Utilities Authority, hereby certify that the above is a true and correct copy of a resolution adopted by the Authority at a meeting duly convened on September 26, 2018.

**Resolution – Sewer Connection for Dr. Kumar Ramaswamy, Lot 16 in Block 178, Route 206**

WHEREAS, Mr Ramaswamy, owner of the above-mentioned lot located at 668 Route 206 Hillsborough, NJ, has requested a sanitary sewer connection of his property consisting of one (1) residential structure to be converted into a doctor's office.

WHEREAS, the Authority recognizes the need for the connection of the office to be to the sewer system situated in front of the property, and

WHEREAS, an application has been received from Mr Ramaswamy for a sanitary sewer connection to service the office; and

NOW, THEREFORE, BE IT RESOLVED, based on the recommendation of Scott Lynn, Executive Director that said plans be approved subject to the following conditions:

1. Approval of the Somerset Raritan Valley Sewerage Authority and the New Jersey Department of Environmental Protection. The Authority specifications, signed and sealed by Jerome A. Harris, P.E., shall be included in the treatment works approval application, if required.
2. Inspection Fees in the amounts established by the Authority shall be provided to the Township of Hillsborough Municipal Utilities Authority for the proposed sewerage facilities prior to construction.
3. Approval shall remain in effect for a period of two (2) years, at which time if construction of the facilities has not been initiated, re- approval will be required.

BE IT FURTHER RESOLVED, that plans be forwarded to the Somerset Raritan Valley Sewerage Authority and the N.J. Department of Environmental Protection, if required, for approval and the Executive Director be authorized to execute applications required in connection with said submittal.

INTRODUCED BY: Mr. McCray

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

I, Scott G. Lynn, Certifying Officer of the Hillsborough Township Municipal Utilities Authority, hereby certify that the above is a true and correct copy of a resolution adopted by the Authority at a meeting duly convened on September 26, 2018.

**I and I Evaluation, Van Note and Harvey Associates**

Mr. Lynn reported to the members that the results from the meter testing performed at the inlet site at the Sunnymead Pump Station have been completed just days prior to this meeting. Mr. Lynn stated that Agha Hasan, P.E. recommended that he present the results of the report to the members at the October meeting, should the members agree. The members welcomed the idea and suggested that Mr. Lynn schedule Mr. Hasan at his earliest convenience to present the report and discuss I and I with the members.

**Update – Sunny Mead Pump Station**

Mr. Lynn started that the plans are coming along as scheduled and the meter results are in as stated above.

**AEA Convention**

Mr. Lynn reminded the Board members of the AEA Conference and NJ League of Municipalities Convention in Atlantic City on November 13 and 14, 2018. Mr. Lynn also informed the members the AEA conference and events will be held at Caesars.

**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 26, 2018 be approved and the Treasurer be authorized to issue checks in payment of said claims.

Operating Fund Claims List                    - \$151,467.59

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

  
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Scott Lynn, Executive Director