

September 28, 2011

The Regular Meeting of the Hanover Sewerage Authority, County of Morris and State of New Jersey, was held on Wednesday, September 28, 2011 at 8:01 in the evening, prevailing time, at the Municipal Building, 1000 Route 10, Whippany, New Jersey.

PRESENT: Chairman Schleifer, Members O'Brien, O'Hare, Fariello and Galacki; Liaison Sheridan; Michael C. Wynne, P.E., Executive Director; Silvio Esposito, Treasurer and Christopher Falcon, Esq.

ABSENT: None

STATEMENT OF PRESIDING OFFICER

Adequate notice of this meeting has been provided in accordance with the Open Public Meeting Act by posting written notice and agenda of the meeting on the Bulletin Board in the Municipal Building, 1000 Route 10, in the Township of Hanover, and by informing the following newspapers:

HANOVER EAGLE/REGIONAL WEEKLY NEWS
MORRIS COUNTY DAILY RECORD

And by filing same with the Township Clerk.

(Signed) Joseph Schleifer,
Chairman

The Executive Director, Michael Wynne, noted that the following correspondence was received:

1. HATCH MOTT MACDONALD

- a. 08/19/2011 Letter re: Contract 37 Payment Request No. 14
- b. 08/30/2011 Letter re: Contract 24 TWA Application
- c. 09/07/2011 Letter re: Contract 24 Environmental Decision Document
- d. 09/14/2011 Letter re: Contract 24 Flood Hazard Permit
- e. 09/15/2011 Letter re: Contract 37 Punch List
- f. 09/27/2011 Letter re: Quick Check Corporation – The Executive Director asked for a motion to approve this project subject to revised plans. Member Fariello made the motion, Member Galacki seconded; there was unanimous approval.

2. NJDEP

- a. 08/23/2011 Letter re: Whippany Village Phase II TWA Administrative Completeness

- b. 09/01/2011 Letter re: Contract 24 Level 1 Environmental Review
- c. 09/07/2011 Letter re: Contract 24 TWA Administrative Completeness
- d. 09/20/2011 Whippany Village Phase II TWA Approval

3. MORRIS COUNTY

- a. 09/06/2011 Memo re: WWMP for Morris County
- b. 09/23/2011 Letter re: Deadline for WWMP Inclusion

4. PROOF OF PUBLICATION

- a. 08/30/2011 Star Ledger: Resolution No. 51- 11 Connection Fee Time and Calculation
- b. 09/15/2011 Hanover Eagle: Contract 24 Loan Notice

5. RESOLUTIONS

Chairman Schleifer offered the following resolution and moved its adoption.

Chairman Schleifer offered the following resolution and moved its adoption.

RESOLUTION NO. 55-11

WHEREAS, the Hanover Sewerage Authority (hereinafter “the Authority”) is authorized by the Sewerage Authorities Law (N.J.S.A. 40A:14-7 (11) to make and enforce rules and regulations for the management and regulation of its business and affairs and or the use, maintenance and operation of the sewerage system and any other of its properties, and to amend the same; and

WHEREAS, the Authority adopted the “Regulations and Specifications and Rate Schedule of the Hanover Sewerage Authority” (hereinafter “the Regulations”) on November 30, 1960 and amended the same from time to time including a comprehensive revision dated January 1, 2004; and

WHEREAS, the Authority has reviewed the current Rate Schedule and desires to implement changes in the following areas for the 2012 fiscal year:

- 1) Adjust the user charges.
- 2) Adjust the IPP point charge.

NOW, THEREFORE, BE IT RESOLVED by the Hanover Sewerage Authority as follows effective December 1, 2011:

1) Appendix I, Charge Systems and Fees, is proposed to be amended as follows:

a) Paragraph 9, Fee Schedule

e) User Charges –

Facilities Charge per ccf \$1.40

Volume Charge per ccf \$4.32

j) Industrial Discharge Permit Fee

Point Charge \$146.59

The balance of Appendix I shall remain unchanged.

A copy of this Resolution shall be published in accordance with N.J.S.A. 40:14A-8 and a hearing held thereon on October 26, 2011 at 8:30 p.m. at the Municipal Building, 1000 Route 10, Whippany, New Jersey.

If any provision of this Resolution or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, such validity shall not affect other provisions of the Resolution and to this end the provisions of this Resolution are declared to be severable.

This Resolution shall take effect as provided by law.

DATED: September 28, 2011

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS
STATE OF NEW JERSEY

Member Fariello seconded; there was unanimous roll call approval.

AYES: Chairman Schleifer, Members O'Brien, Galacki, Fariello, and O'Hare

ABSENT: None

Chairman Schleifer offered the following resolution and moved its adoption.

RESOLUTION NO. 54-11

BE IT RESOLVED by the Hanover Sewerage Authority in the Township of Hanover, County of Morris and State of New Jersey as follows:

1. The Chairman is authorized and directed to sign new or revised Service Agreements in the form approved by the Authority with the following as shown on the Tax Map of the Township of Hanover.

OWNER

BLOCK/LOT

30 Leslie Associates, LLC

6902 / 13

2. **This Resolution shall take effect as provided by law.**

DATED: September 28, 2011

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS
STATE OF NEW JERSEY

Member Fariello seconded; there was unanimous roll call approval.

AYES: Chairman Schleifer, Members O'Brien, Galacki, Fariello, and O'Hare

ABSENT: None

Chairman Schleifer offered the following resolution and moved its adoption.

RESOLUTION NO. 53-11

WHEREAS, N.J.A.C. 5:31-2.8 provides that budget transfers shall be approved and adopted by Resolution of the Authority, passed by not less than a majority of the full membership:

NOW, THEREFORE, BE IT RESOLVED that the following budget transfers be made to the 2011 Budget Anticipated Revenues effective September 28, 2011:

FROM:

Cost of Providing Services – Salary and Wages	\$36,000.00
Cost of Providing Services – Fringe Benefits	<u>\$ 3,000.00</u>
	\$39,000.00

TO:

Administration – Salary and Wages	\$36,000.00
Administration – Fringe Benefits	<u>\$ 3,000.00</u>
	\$39,000.00

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the Treasurer for his action.

HANOVER SEWERAGE AUTHORITY

DATED: September 28, 2011

COUNTY OF MORRIS
STATE OF NEW JERSEY

ATTEST:

Member Fariello seconded; there was unanimous roll call approval.

AYES: Chairman Schleifer, Members O'Brien, Galacki, Fariello, and O'Hare

ABSENT: None

Chairman Schleifer offered the following resolution and moved its adoption.

**RESOLUTION NO. 56-11
TO AMEND THE RATE SCHEDULE OF THE HANOVER SEWERAGE
AUTHORITY PERTAINING TO THE CALCULATION AND TIME OF
PAYMENT OF CONNECTION FEES**

WHEREAS, the Hanover Sewerage Authority (hereinafter "the Authority") is authorized by the Sewerage Authorities Law (N.J.S.A.40:14A-7) to make and enforce rules and regulations for the management and regulation of its business and affairs, and to amend the same from time to time; and

WHEREAS, there is a need for the Hanover Sewerage Authority ("the Authority") to revise and amend the Regulations, Specifications and Rate Schedule of the Authority pursuant to N.J.S.A.40:14A-8, and more particularly Appendix I, Charge System and Fees to incorporate revisions required to those provisions pertaining to connection charges;

NOW, THEREFORE, BE IT RESOLVED by the Hanover Sewerage Authority in the County of Morris and State of New Jersey on this 28th day of September, 2011 as follows:

1. Appendix I of the Regulations, Specifications, and Rate Schedule of the Hanover Sewerage Authority entitled "Charge System and Fees" and more particularly Section 3 thereof entitled "Connection Charges"

is hereby proposed to be amended by the amendment of Subsections

(c) and (e) and the addition of new Subsections (f) and (g) as follows:

- c. Residential Units – the Connection Fee for residential units shall be the basic connection charge as hereinafter provided except for dwelling units existing prior to 1962 which shall be charged \$100 for each residential unit in the building to be connected.
 - e. Time of Payment – The Connection Fee shall be paid at the time of the issuance of a Construction Permit for construction of a sanitary sewer for the purpose of eventual connection to a Public Sewer. In the event that construction has not started within the term of the Connection Permit and the Authority or NJDEP imposes a connection ban and/or ceases the endorsement/issuance of Treatment Works Approvals pursuant to N.J.A.C.7:14A-22.1, et seq. or a successor regulation, then the Connection Fee shall be payable upon the occurrence of such event.
 - f. Credit for Lot Merger – In circumstances where one or more properties/tax lots are merged into one tax lot for the development of a new project, the party responsible for the payment of the Connection Fee shall receive a credit relating to the calculation of the applicable connection fee, equal to the connection fee or fees previously paid or the connection fee and allocated flow applicable at the time the building sewers were capped, whichever is greater, on any lots associated with the amalgamation of lots to form the new merged lot.
 - g. New Connection Fee following Permanent Vacancy – In circumstances where 1) a use has been abandoned and a sewer line has been capped upon Permanent Vacancy pursuant to this Appendix I, Special Provisions Related to Rates, Subsection 5 – Adjustment of Service Charge due to Permanent Vacancy of Property Unit, and 2) use of the subject property is later reinstated and renewed for the same or a new use, the party responsible for payment of the Connection Fee shall pay based upon the difference between the current Connection Fee calculated in accordance with the Rate Schedule then in effect and the Connection Fee which would have been charged in the year that the prior use was abandoned and the sewer line capped.
2. Appendix I of the Regulations, Specifications, and Rate Schedule of the Hanover Sewerage Authority entitled “Charge System and

Fees” and more particularly Section 5 entitled “User Charge System” is hereby proposed to be amended by the amendment of Subsection 5 (c) entitled “Special Provisions Related to Rates” and Subsection 5 thereof to read:

5) Adjustment of Service Charge due to Permanent Vacancy of Property Unit:

- a) A customer-owner of a property unit being served by the sewer system shall be eligible for an adjustment of the annual service charge when said property unit has become destroyed or in other ways has been rendered in such a condition as to be ineligible for a Certificate of Occupancy and when the owner officially applies for adjustment of the service charge by submitting a certified written statement to the Authority stating when said property became permanently uninhabitable as determined by Township construction, fire or health officials and when the sewer line to the property is/was capped at the property line.
- b) The adjusted charge shall consist of only the unit facilities charge calculated in accordance with Section 5 (a) entitled “Basis of User Charge” and Footnote (a).

3. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of the Resolution and to this end the provisions of this Resolution are declared to be severable.

4. A copy of this Resolution shall be published in accordance with N.J.S.A.40:14A-8 and a hearing held thereon during the Regular Meeting of the Hanover Sewerage Authority on October 26, 2011

to commence at 8:30 p.m. at the Hanover Township Municipal Building, 1000 Route 10, Whippany, New Jersey.

5. This Resolution shall take effect as provided by law.

DATED: September 28, 2011

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS
STATE OF NEW JERSEY

Member Fariello seconded; there was unanimous roll call approval.

AYES: Chairman Schleifer, Members O'Brien, Galacki, Fariello, and O'Hare

ABSENT: None

Chairman Schleifer offered the following resolution and moved its adoption

RESOLUTION 57-11

WHEREAS, Woodmont Realty Group, Cedar Knolls, L.L.C. ("Woodmont") owns property commonly known and designated as Block 2302, Lot 2 on the Township of Hanover Tax Map, County of Morris, State of New Jersey (hereinafter "Property"); and

WHEREAS, Woodmont is in the process of constructing a project on the Property known as Cedar Knolls Mews ("Project"); and

WHEREAS, the Property is the site of a former industrial facility, which former operations contaminated the Property and adjacent properties; and

WHEREAS, by letter dated January 19, 2009, the Hanover Sewerage Authority notified the Engineer for Woodmont that the Hanover Sewerage Authority had approved Woodmont's Treatment Works Approval application, subject to the satisfactory environmental remediation of the easement areas owned and to be owned by the Hanover Sewerage Authority; and

WHEREAS, the parties have agreed to a satisfactory plan regarding the environmental remediation of the easement areas owned and to be owned by the Hanover Sewerage Authority, which Agreement is memorialized in the Environmental Compliance Agreement with Easement Agreement attached.

NOW, THEREFORE, BE IT RESOLVED by the Hanover Sewerage Authority in the County of Morris and State of New Jersey on this 28th day September, 2011 as follows:

- 1) The Chairman is authorized and directed to sign the Environmental Compliance Agreement and Easement Agreement on behalf of the Authority, subject to the execution and delivery of the Agreements by the other party thereto; and
- 2) A copy of the executed Agreement shall be filed with the Division of Local Government Services.
- 3) This Resolution shall take effect as provided by law.

DATED: Sept 28, 2011

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS
STATE OF NEW JERSEY

Member Fariello seconded; there was unanimous roll call approval.

AYES: Chairman Schleifer, Members O'Brien, Galacki, Fariello, and O'Hare

ABSENT: None

Chairman Schleifer offered the following resolution and moved its adoption

RESOLUTION NO. 58-11
A RESOLUTION INTRODUCING THE BUDGET OF THE HANOVER SEWERAGE

AUTHORITY FOR THE YEAR ENDED NOVEMBER 30, 2012

WHEREAS, the Annual Budget and Capital Budget of the Hanover Sewerage Authority for the fiscal year period beginning December 1, 2011 and ending November 30, 2012 has been

presented before the Members of the Hanover Sewerage Authority at its meeting of September 28, 2011; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$5,439,665.00, Total Appropriations of \$5,439,665.00 and Total Unrestricted Net Assets utilized of \$-0-; and

WHEREAS, the Capital Budget as introduced reflects Total Appropriations of \$6,060,000.00 and Total Unreserved Retained Earnings utilized of \$ - 0 -; and

WHEREAS, in preparing the Annual Budget and Capital Budget, the Service Rates and Fees as established by Resolution of the Authority have been reviewed to insure the revenues to be received are of sufficient amount to meet anticipated expenditures and all covenants as stipulated in the Authorities outstanding debt obligations, capital lease arrangements, service agreements and other pledged agreements.

NOW, THEREFORE, BE IT RESOLVED that the Annual Budget is hereby approved as follows:

REVENUES

Anticipated Revenues \$ 5,439,665.00

APPROPRIATIONS

Operating \$ 682,565.00
Cost of Providing Services 4,032,100.00
Debt Service and Other Reserves 725,000.00

TOTAL APPROPRIATIONS \$ 5,439,665.00

BE IT FURTHER RESOLVED, that the Capital Budget is hereby approved in the amount of \$6,060,000.00; and

BE IT FURTHER RESOLVED, that the revenues as reflected in the Annual Budget and Capital Budget are of sufficient amount to meet anticipated appropriations and all covenants as stipulated in the Authority's outstanding debt obligations, capital lease arrangements, service agreements and other pledged agreements; and

BE IT FURTHER RESOLVED that at a meeting to be held on November 30, 2011 at 8:30 p.m. at the Municipal Building, 1000 Route 10, Whippany, the budget will be considered and adopted or held over for future consideration.

DATED: September 28, 2011

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS
STATE OF NEW JERSEY

ATTEST:

Member Fariello seconded; there was unanimous roll call approval.

AYES: Chairman Schleifer, Members O'Brien, Galacki, Fariello, and O'Hare

ABSENT: None

Chairman Schleifer offered the following resolution and moved its adoption

RESOLUTION NO. 59-11

BE IT RESOLVED by the Hanover Sewerage Authority in the Township of Hanover, County of Morris and State of New Jersey as follows:

1. Where disbursements of funds for all accounts except payroll is made by check, the checks shall be signed by the Chairman or Vice Chairman and the Treasurer.
2. For the payroll account, all checks shall be signed by the Treasurer.
3. The transfer of funds between accounts shall be made by the Treasurer.
4. **This Resolution shall take effect as provided by law.**

DATED: October 26, 2011

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS
STATE OF NEW JERSEY

Member Fariello seconded; there was unanimous roll call approval.

AYES: Chairman Schleifer, Members O'Brien, Galacki, Fariello, and O'Hare

ABSENT: None

Chairman Schleifer moved the following reports be accepted and filed as received; Member O'Hare seconded; there was unanimous approval.

REPORTS

- Plant Operations Report – dated August 11 – September 21, 2011
- Plant Operations Weekly Meetings Report – dated August 11 – September 21, 2011
- Hatch Mott MacDonald Report – dated September 23, 2011
- Collection System Status Report – dated August 11 – September 21, 2011
- Treasurers Report – dated August 31, 2011
- Superintendents Report # 698– dated August, 2011
- IPP Report - dated August 13 – September 23, 2011
- High Flow Report (Irene) – dated August 27 – August 30, 2011
- High Flow Report – dated September 6 – September 7, 2011
- High Flow Report – dated September 8, 2011

Chairman Schleifer moved the payment of bills be confirmed and authorized as listed; Member Fariello seconded; there was unanimous approval.

ABSENT: None

<u>REVENUE FUND 110</u>	\$ 0.00
<u>REVENUE FUND 111</u>	\$394,155.77
<u>REVENUE FUND 201</u>	\$ 1,977.29
<u>PLANT EXPANSION FUND 301</u>	\$ 40,900.78
<u>PLAN REVIEW FUND 401</u>	\$ 1,482.97
<u>PAYROLL</u>	\$182,614.87

OTHER BUSINESS – The Treasurer, Silvio Esposito, advised that only two signatures are needed to open a new bank account. Member O’Brien offered his congratulations to the plant staff and leadership regarding handling the effects of Hurricane Irene. The Executive director, Mike Wynne, commented that it was solely the staff’s experience that weathered the storm. Member O’Brien also mentioned that our guys make running the plant and doing the budget look easy.

OPEN TO PUBLIC

ADJOURNMENT – Chairman Schleifer accepted a motion to adjourn the meeting at 8:35 pm. Member O’Hare made the motion, Member O’Brien seconded, there was unanimous approval. Meeting adjourned at 8:35 pm.

Respectfully submitted,

Michael C. Wynne, P.E.
Executive Director