

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
May 7, 2012

Pledge of Allegiance.

The regular meeting of the Landis Sewerage Authority was called to order by Chairman Gana at 6:00 p.m. The following members were present at roll call: Lewis, Merighi, Silva, Errickson and Gana.

The proper notice was given to all members in accordance with the by-laws.

Chairman Gana stated that public notice of this meeting, pursuant to the Open Public Meeting Act, has been given in the following manner:

1. Posting written notice in the lobby entrance of the Authority.
2. Hand delivering notices to the offices of the Daily Journal and The Press.
3. Filing written notices in the offices of the Authority and City Clerk.

Also present:	Dennis W. Palmer	Executive Director/Chief Engineer
	Robert A. Schwarz	Field Engineer
	A. Steven Fabietti	Solicitor
	Carol A. Ricci	Executive Secretary
	Gregory McGrath	Shift Manager

It was moved by Silva and seconded by Errickson that the reading of the minutes of the regular meeting held on April 16, 2012, be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted "yes".

Gregory McGrath was presented with an award for 20 years of service.

The Chairman asked if there were any general public comments or comments on the proposed resolutions. There were none.

Resolutions:

It was moved by Silva and seconded by Errickson that Resolution No. 2012-64, "Be it resolved by the Landis Sewerage Authority, that the following bills of items or demands are hereby approved and authorized for payment out of the revenue fund revolving payroll account...\$93,477.54", be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted "yes".

It was moved by Errickson and seconded by Silva that Resolution No. 2012-65, “Be it resolved by the Landis Sewerage Authority, that the following bills of items or demands are hereby approved and authorized for payment out of the revenue fund bills... \$224,187.15”, be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted "yes".

It was moved by Silva and seconded by Lewis that resolution no. 2012-66, “A resolution of the Landis Sewerage Authority authorizing the a non-fair and open contract with CET Engineering Services for evaluation of the wastewater treatment plant process and land application...” be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted “yes”.

It was moved by Merighi and seconded by Lewis that resolution no. 2012-67, “A resolution of the Landis Sewerage Authorizing authorizing payment from the construction fund of certain costs of the system in the amount of \$1,300.00 to Video Pipe Services, Inc. to grout manhole at Brewster Road and Lincoln Avenue in accordance with the provisions of the Authority’s general bond resolution...” be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted “yes”.

It was moved by Errickson and seconded by Lewis that Resolution No. 2012-68, “A resolution of the Landis Sewerage Authority authorizing payment from the construction fund of certain costs of the system in the amount of \$2,000.00 to Green Thumb Reforestation for the pruning of pine trees in F3F in accordance with the provisions of the Authority’s general bond resolution...” be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted “yes”.

It was moved by Errickson and seconded by Lewis that resolution no. 2012-69, “A resolution of the Landis Sewerage Authority authorizing payment from the construction fund of certain costs of the system in the amount of \$15,430.00 to JWS Environmental, LLC for the repair of channel monster at Little Robin pump station in accordance with the provisions of the Authority’s general bond resolution...” be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted “yes”.

Dennis Palmer explained that the channel monster was a chopper mechanism emerged in the water and it breaks up larger debris in the sewer system so it will not block the pump stations.

It was moved by Silva and seconded by Lewis that resolution no. 2012-70, “A resolution of the Landis Sewerage Authority authorizing payment from the construction fund of certain costs of the system in the amount of \$5,093.00 to Excelsior Blower Systems to repair 5CDL9 Cyclo Blower for the north storage tank in accordance with the provisions of the Authority’s general bond resolution...” be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted “yes”.

It was moved by Errickson and seconded by Silva that Resolution No. 2012-71, “A resolution of the Landis Sewerage Authority authorizing payment from the construction fund of certain costs of the system in the amount of \$662.35 to Sigma Controls, Inc. for a controller for pump station wet wells in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted “yes”.

It was moved by Silva and seconded by Lewis that Resolution No. 2012-72, “A resolution of the Landis Sewerage Authority authorizing payment from the construction fund of certain costs of the system in the amount of \$260.00 to Michael J. McKenna, Esq. for legal services for Rudy’s Airport LLC from 3-9-2012 to 4-4-2012 in accordance with the provisions of the Authority’s general bond resolution...” be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted “yes”.

Dennis Palmer stated that Michael McKenna was our counsel in the appellate court for Rudy’s Airport. Tom Merighi asked why the cost came out of the construction fund and Dennis stated that it ties back to construction activities.

It was moved by Errickson and seconded by Lewis that Resolution No. 2012-73, “A resolution of the Landis Sewerage Authority authorizing a contract with Kraft Power Corporation for maintenance of the combined power unit...” be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted “yes”.

It was moved by Errickson and seconded by Lewis that resolution no. 2012-74, “A resolution of the Landis Sewerage Authority authorizing payment from the construction fund of certain costs of the system in the amount of \$15,408.26 to Chesapeake Diesel, Inc. for repairs to the terragator in accordance with the provisions of the authority’s general bond resolution...” be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted “yes”.

It was moved by Errickson and seconded by Lewis that Resolution No. 2012-75, “A resolution of the Landis Sewerage Authority authorizing payment from the construction fund of certain costs of the system in the amount of \$11,938.00 to EnviroSight, LLC for (1) Verisight Pro Push Camera and multi-digital receiver w/case in accordance with the provisions of the Authority’s bond resolution...” be adopted. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted “yes”.

Reports:

Executive Director: Dennis Palmer stated that we are working with the City and our outside engineer, Hatch Mott McDonald who has worked on our collection system in the vicinity of the Plum Street pump station. The City has plans to expand in that area and our pump station is in the way. We have talked to our outside engineer as it is a little more

complicated than usual. The best news is that the pump station may be eliminated and a gravity line will run towards the Sears pump station. It was not done when it was constructed since Vineland was a borough and Vineland had its own treatment plant and this station handled flow from that area and pumped over into other parts of the old borough system. Hopefully, the immediate shots taken by Bob, subject to more detailed surveying may be able to eliminate the station which will save on manpower, electricity and parts.

We opened bids and we awarded Kraft Power the contract for maintaining the co-generator facility. Dennis stated that we do a fair amount of the work ourselves but there are other detailed mechanical services that need to be performed. We have identified many parts in the bid document to keep the price in order according to the bid price.

Our NJPDES Permit cover letter was provided to you with other attachments that were not included in your package that has been sent to Trenton. Dennis stated that we need to be ahead of the curve and be ready to have more capacity when the economy breaks. This will take us to 9.8 MGD and we will not have to build anything as the plant should have enough capabilities because of things we have added over the years. That will be part of CET's evaluation as we go through the process. It is a two-step process consisting of the resolution you passed, a resolution the City passed, many forms and a map of our plant for administrative review. When that is completed, it will move to the technical portion.

We had an issue with the Cumberland County Improvement Authority with their storm water coming over onto our agricultural site with possibly other things than rainwater. We took samples and the local staff was very cooperative. They will be spending some money to control the storm water issue.

Steve Fabietti will discuss more regarding United Rentals getting tired amongst many other people who filed liens against the solar panel project. They filed suit and I forwarded a copy to Joe Isabella at the City as well as with Steve Fabietti. At the same time, one other lien was discharged.

Shop-Rite will be building a fairly elaborate pumping station to serve more than just its needs. Both State law and our policy has provided that if you do that you have some compensation as new people tie in and use that system. We had a meeting with their engineer and their project manager as they are looking for some compensation along those lines that are consistent with state laws. We will work on such an agreement which will eventually be brought to this board. They are looking for about \$180,00 because they have to build a pumping station for their needs. They have to upsize to meet some of our specifications so in fairness to them and as provided by State law, when a developer provides larger facilities or off-site improvements that leave their site, they can be compensated.

Dennis stated that on Tuesday night, City Hall will ask the Mayor to sign a resolution for their permit forms so that they could be in Trenton by Wednesday or Thursday for their sewer line permit.

Field Engineer: Robert Schwarz stated that the lateral at 1880 Brookfield Street was repaired. The LSA originally believed that the repair could have been performed in-house however, after performing an exploratory evaluation, it was determined that this work would have to be sub-contracted due to existing utilities and the depth of pipe was approximately 7 feet.

He also stated that he attended the regional sewerage authorities meeting with Dennis Palmer last week. They shared issues and concerns with other authorities with similar situations.

A preliminary survey was performed of the Plum Street pump station. We looked at an alternative to connect via gravity of the relocation. We will know after additional work is performed.

A meeting will be held at the County Engineer's office on Friday, May 11, 2012 to discuss improvements to the intersection of Brewster Road and Chestnut Avenue and Main Road between Chestnut and Maple Avenues. A report will be given at the next meeting to discuss the details of the projects.

Work will be performed at New Pear Street pump station Thursday night to install a by-pass connection during low flow time.

A meeting was held at City Hall with all City agencies regarding the Townsend Farms operation. They plan to use the Rennoc building to facilitate their plant. Connection fees and other issues were discussed.

Solicitor: Steven Fabietti stated that the Authority has been named as a defendant in a law suit brought by United Rentals, Inc. which is an equipment rental company that provided equipment for Solar Phase II to the contractor selected by the City of Vineland. They are owed approximately \$9,000 according to the pleadings. This is one of the liens that we talked about at prior meetings. There is an appropriate bond in place by Traveler's Insurance Company to bond over that lien so there should be no impact on the Authority or its property. Mr. Fabietti stated that the company is probably getting tired of waiting and instituted suit to protect their rights. The City is aware of the suit and they have put the contractor CSI on notice to remove us from the case. If not, our response is due May 30th and our response would not only have to be an answer denying any responsibility, we would have to file a third party action to bring the City of Vineland in as a defendant.

Dennis Palmer stated that we are the underlying property owner below the lease holder which is the City of Vineland. Chairman Gana stated that the City of Vineland is technically responsible. Chairman Gana said he understands them covering their bases but they should have gone to the proper party in their form of a complaint, namely the City of Vineland first. Steven Fabietti stated that there is another site named in the suit and apparently they also have a solar project on that site and the same contractor, CSI did the work and United provided equipment there and is owed approximately \$36,000 for that project.

Dennis suggested that the Board provide direction to the solicitor by way of a motion that these are costs and time here for things in which we had no part or wrong doing. The solicitor should probably track his time and expenses should we want to file a claim to recover those costs. Dennis also stated that these are costs above and beyond the normal scope that we should not be responsible for in the long run.

Jose Silva asked for clarification that these costs are not included in the normal compensation to the solicitor. Dennis stated that if this becomes protracted litigation, which it can become, there are costs associated that we should not have to bear because we are not responsible. Steven Fabietti stated that these costs are covered by the contract in place but if this continues, you want him to handle this matter in a way that ultimately results in us making a demand for some type of recovery.

Steven Fabietti asked that we call for a motion to file an answer and a third party complaint against the City if necessary, we track all time and expenses and to seek reimbursement.

Chairman Gana called for a motion to file an answer and third party complaint against the City of Vineland, if necessary for recovery of time and expenses as relates to attorney's fees. It was seconded by Steve Errickson. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted "yes".

Thomas Merighi asked why the City hadn't paid the bill. Dennis stated that it was really not the City and that this was a true aberration of a public construction contract. Normally when a public body goes out for construction, they have a relationship with a general contractor and they also have a payment and performance bond that holds whole anybody who has expenses that rightfully should be paid and provides the performance. This was not that case. We have a contract with the City where we leased the land to the City and we get reimbursed by way of lease payment. End of story for LSA. The City then went out with an RFP for a power purchase agreement so it wasn't really a construction contract that has a normal performance bond to back it. They went with a power purchase agreement that had a approximate \$100,000 bond which dealt with more if the project was delayed that would pay for their extra costs to buy power off of the grid. This was not a real performance type of construction bond. Their contract with Community Energy which

was bought out by Commonwealth which is a huge power provider in the Baltimore area. Commonwealth hired RMT as the general contractor. They made arrangements with Cable Systems and others. A problem arose between RMT and Cable Systems, Inc. where someone was thrown off of the job, the construction manager left and this was the prelude to the problems. They brought another contractor in to finish the work. The management firm with a prime contractor is not getting paid and neither are the people below them. Cable Systems has a suit as well. The City is kind of out of it because they just wanted power for a low cost. It became much more of a private type of construction job with a lot of different issues now.

Steven Fabietti stated that our contractual agreement is with the City, another public agency as those are our parameters are far as our responsibilities go. Steve stated that he thinks that the party that instituted the suit does not really understand the suit and he has notified them of such. The City is kind of in the middle because of their relationship with the contractor.

The second issue is a personnel matter that still has not been reconciled and is not for public meeting.

Chairman Gana had no report.

Issues and Correspondence: None

Committee Reports:

Engineering/Plant: Dennis Palmer, stated that Bob and staff are working on parallel sewer that we talked about earlier coming off of Delsea Drive at Third Street Annex and our meeting with Hatch Mott McDonald for them to give us a proposal to see if we can abandon the Plum Street pumping station to make that a gravity system.

Budget Finance: Dennis stated that the finance committee will be meeting on Friday. Our audit has been completed and a draft audit will be presented to the finance committee, Jose Silva and Thomas Merighi.

Human Resources: Dennis Palmer stated that there are attendance issues that we are working on.

Public Relations: The Mayor and Joe Isabella were out here at the solar field with a reporter and photographer which was published in the Daily Journal.

Insurance Committee: Carol Ricci reported that on Thursday she will be meeting with Jim Whittaker of Cynergy Group, our brokers for major medical and prescription drug

coverage and Yvette Williams of Horizon BCBS NJ to set up a similar offering as provided by the State of NJ for a multi-tiered plan for major medical coverage for comparison with the State plan.

She stated that she had also spoken with Bob English of Willis of NJ, our property and casualty broker. We received really great news that our P & C premium will probably increase by just \$1200 this year for general liability, property, auto, crime, umbrella or excess, inland marine. Our pollution liability policy is a three year term so we have two more years on that policy.

Dennis stated that with the new healthcare laws, you must offer your employees a menu of four different insurance levels because of employee contribution to their plans. Tom Merighi asked what the term was for health insurance? Carol stated that it is November 1, 2012.

Allocations/Administration: Dennis stated that his earlier report on Shop-Rite and the report by Bob Schwarz regarding the Rennoc building will bring more allocation fees to the Authority. Dennis stated that there is very little happening on the residential side and that there are 700 to 800 homes on the book approved with permits and no construction is going on.

Old Business: Steve Errickson did attend the AEA meeting and a package was included for you regarding the role of the commissioner and its impact on the Authority. A panel of four or five commissioners talked about their experiences.

New Business: Dennis stated in your package there is an invitation to the President's Gala on Thursday, June 21, 2012 at Eastlyn's Greenview Inn. Please let Carol know if you will be attending.

Tom Merighi brought to the attention of the Board that he was called by a person who noticed that there were sewer cleanout caps broken as he ran through the neighborhood. He took pictures and e-mailed them to me, I then contacted Carol and she referred me to Bob Schwarz and a few hours later I received a call and he had already been out and visited the site and informed me that we really were not responsible for that but it was nice to know that it was taken care of very quickly and efficiently. It made everybody feel good, including the person who sent that original e-mail to me that our guy had already been out there.

Bob Schwarz stated that we already created a form letter to identify these areas to send to customers so if they have a problem with their clean out and that the damage occurred from their landscaper or lawn mower, the responsibility lies with the homeowner.

Adjournment: At 6:50 p.m. there being no further business to come before the Board, it was moved by Silva and seconded by Lewis that the meeting be adjourned. Roll call: Lewis, Merighi, Silva, Errickson and Gana voted "yes".

THE LANDIS SEWERAGE AUTHORITY

JOSE SILVA, JR., SECRETARY