

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
June 3, 2013

Pledge of Allegiance.

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

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

Vice-Chairman Jose Silva, Jr. 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
Clark Shimp	Process Control Manager

It was moved by Gana and seconded by Villar that the reading of the minutes of the regular meeting held on May 20, 2013 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Villar, Merighi, Gana, Silva.

Dennis Palmer presented a 25 year Service Award to Clark Shimp
Vice-Chairman Jose Silva, Jr. presented a 20 year service award to Dennis W. Palmer

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

Resolutions:

It was moved by Gana and seconded by Villar that Resolution No. 2013-78, "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.....\$67,114.59", be adopted. Roll call: Villar, Merighi, Gana and Silva voted "yes".

It was moved by Gana and seconded by Villar that Resolution No. 2013-79, “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...\$148,733.15”, be adopted. Roll call: Villar, Merighi, Gana and Silva voted “yes”.

It was moved by Gana and seconded by Villar that Resolution No. 2013-80, “A Resolution of the Landis Sewerage Authority authorizing correction on credits, charge-offs, refunds and cancellation of amounts in the amount of \$1,800.25---“ be adopted. Roll call: Villar, Merighi, Gana and Silva voted “yes”.

It was moved by Gana and seconded by Villar that Resolution No. 2013-81, “A Resolution of the Landis Sewerage Authority summarizing allocation activity through the close of allocation round 145...” be adopted. Roll call: Villar, Merighi, Gana and Silva voted “yes”.

It was moved by Gana and seconded by Silva that Resolution No. 2013-82, “A Resolution of the Landis Sewerage authorizing the award of a non-fair and open contract with Willis of NJ and Colson & Gosweiler Insurance & Financial Services to supply Property, Casualty, General Liability, Commercial Auto, Inland Marine, Crime, Boiler & Machinery, Excess Liability, Public Officials Liability and Pollution Liability Insurance in the amount of \$166,521.00...” be adopted. Roll call: Villar, Merighi, Gana and Silva voted “yes”.

Dennis Palmer stated that the insurance marketplace is still reeling from Hurricane Sandy and you can see that proposals were sought from a number of difference sources. Some quoted and some did not. It took a great deal of time to compile this quote.
Reports:

Executive Director

Dennis Palmer stated that most of his report is a follow-up to the memo to the Board from last week. We are looking at a couple of things, one being a rate increase. We will be cashing our bond in near the end of the year and it will have a negative impact on our cash flow. If the City’s request, which we fully anticipate will continue into the future and we need to fund it. We can’t take it all out of a small amount of reserves that we have for future capital projects. We are looking at \$20 this year and another \$20 sometime next year. Those combined will bring us up to the proper number or close to the \$434,000 the City will be taking this year from our budget. It will also cover the loss on the cash flow.

The second item for discussion that was in the memo is our plan all along for capital projects and David brought to our attention the low cost of money available for public agencies to go out to build capital type projects. In our case we need to have our facilities available whenever the economy comes back and we have the capacity to serve those future customers. We are well into trying to get the plant re-rated and we expect those reports soon. Our engineers report that the plant has the capacity to handle the flow. We are waiting for the hydrogeologist to show us that the soils can handle the extra flow.

There are capital needs within the facility. Some of the plant has been around since the early 50's and the new parts of the plant are approaching 25 years and the newer parts are almost 20 years old. From our conference call with Dave Kotok, we need to proceed to do some sort of bonding in the near term. The initial term is to have our engineering firms for both the plant and the collection system give us a better identification of cost. We have some costs we know of in the plant and there are some things I don't have a handle on. One of those is either burst the Sears force main or a new Sears force main. It is a somewhat complicated task since you have to work your way around Sears, come across Landis Avenue and continue to come toward Montrose where the pipeline currently runs. It will be a little difficult and we have to upgrade our infrastructure so that we can serve present and future customers as we hopefully expand and get the capacity.

Those things have been initiated at this time. The infrastructure trust with DEP is the lowest cost money available but it has strings attached. It has more soft costs associated with it and it also has maybe not the structure we are looking for if we try to borrow money before the other bond is done. We are looking at lower costs now and larger costs later so that in the end, the rate bearers may even see a reduction since our payments are now between \$1.3 million and if we borrow a smaller amount of money for some period of time it would be a smaller number. We don't want to double up on our rate payers at the same time our other bond is out there. We want to proceed along those lines and we want to take action later on by motion under issues and correspondence.

Field Engineer

Bob Schwarz reported that LSA had to connect the resident at 755 S. Delsea Drive to the existing sewer line on Delsea Drive with a new lateral since they were connected to the old boro trunk line that went under an existing building (old Smith Roofing facility) and they were experiencing sewer problems. The new system was installed on an emergency basis due to health concerns.

Bob also reported that we had an emergency repair performed last Saturday at 241 S. Brewster Road due to a broken sewer lateral where two residents are connected to the same riser pipe. This has occurred in the past and is due to the lateral pipe shearing and causing the pipe to break. LSA installed a clean out at the curb area for diagnostic purposes to determine if problem was in the street.

Shop Rite's anticipated opening is Wednesday, June 5, 2013. The Mattress Place, formerly Blom Brothers, opened May 24, 2013 and Walgreen's opened May 29th at Landis Avenue and Delsea Drive.

Bob stated that we received a couple of applications for new connections to LSA. We are currently reviewing these projects and will provide comments to satisfy LSA requirements.

Bob also stated that he attended a pre-construction meeting at the County Public Works Department. They intend to pave Brewster Road from Lincoln Avenue to School Lane and Lincoln Avenue from the County line to Chestnut and Union Road from the County

line to Mays Landing Road. They plan to start in the middle of June and the project duration is 140 days.

The City of Vineland and the County paving will enable LSA to install new manholes frames and lids where required prior to paving.

Solicitor

Steven Fabietti reported that he has been working on the same issues as reported on earlier which are the Worker's Compensation case discovery and the discussions with Franklin Township regarding the Meredith Farms site. I prompted the Solicitor, Bill Ziegler from Franklin Township by e-mail to see if he has gotten any feedback from their governing body to our agreement. He said that he was waiting to hear from them and he was going to use the e-mail to get some response from the governing body.

Dennis Palmer reported that Franklin Township's engineer sent us a set of plans for a preliminary discussion on the site and we made a couple of comments but because of the preliminary nature of the plans we reserve to make further additional comments when the actual plans come in. There are a handful of items that need to be addressed and one is that we really need to get a service agreement done. We are not going to rely on the old allocation agreement that was with a private party for one customer. This will be at least 4 customers on that site and we want to have a service agreement with the Township.

Chairman: No report

Issues and Correspondence:

Dennis stated that he is seeking a motion as Executive Director to advertise a public hearing for a rate increase. The process is that once the motion is passed, letters will immediately go out to the municipal clerks for the towns we serve. Franklin Township, Pittsgrove Township and Vineland will receive notices. We will also print notices in two different newspapers, the Press and the Journal, for a public hearing. There will not be a board meeting with the timing that we have and it will be 20 some days out from this point in time and Dennis will run it as a hearing officer, board members are certainly allowed to attend as well as the public. We will put forth the reasons for the rate increase and it will be adopted at the subsequent meeting. We want to get it out in the August bill so this will have to be done by the first meeting in July so we can complete the computer programming and we can run the numbers.

It was moved by Gana and seconded by Villar that the Executive Director be authorized to advertise to hold a public hearing for a rate increase. Roll call: Villar, Merighi, Gana and Silva voted "yes".

Committee Reports:

Engineering/Plant

Dennis reported that the farm is coming along when he was there last week. Hay is being cut and there were 1600 bales of hay with some rye and about 320 bales of straw. Corn has all been planted and we received the benefits from the rain and some of the corn is already six inches tall.

We are working that we had a well that was sucking sand. We tried to refurbish it and we think the well has failed. It's 25 years old and we are looking to drill a well within a fairly close circumference of about 50 feet away so we can use the piping and wiring. That will take place within the next 30 days before the hot weather comes in. We do have the ability to run some temporary piping over land to feed the irrigation guns from another well but then you are sharing multiple irrigation guns from the same well. It is more important when the corn gets about 4 or 5 feet tall and it starts tasseling, which is the pollination process. The plants should not be stressed at that point in time.

Budget/Finance

After the action was taken tonight we will be working on the rate increase. We have sent out late notices to several entities that have come in for a payment plan. One I want to put on the record is Mori's Restaurant. They paid the first check and the second check and it bounced. We gave them 48 hour notice to make good on the check and they have not responded and if they do not we most likely will go out and shut the sewer off this week. Dennis stated that he e-mailed Rick Tonetta to open up a dialogue to revisit the issue requesting the City, as State law provides, would shut off water service as well. He has not responded yet. We would like to work into some relationship with the City and they in turn would also receive some compensation for shut-off and turn-on services as well.

Carlos Villar asked if the Theatre is tied into the restaurant. Dennis responded that they have separate lines so one will not affect the other. The normal process is to ask people to come in and meet with us and if you don't we have alternatives. We do not pick on people who just owe us a payment. These accounts are at least \$1,000 in arrears. If it is a home, it's several years, if it's a business it could be some time, but these are more substantial amounts of at least \$1,000. Tom Merighi asked how far behind they are and Dennis stated that they are more than our payment cycle or more than 6 months behind and what is more infuriating is that you brought them in to have a meeting, get a schedule, they make the first payment and the second payment bounced.

Tom Merighi stated we have a Finance Committee meeting scheduled for Friday, June 14th at 12 p.m. Steve Errickson will be sitting in for Jose Silva who has a conflict on that date. Past practices are that when a member can't make it we opt for the Chairman to appoint a onetime alternate or sit in himself.

Human Resources

Dennis stated that Clark will be retiring in August and Dennis will be sitting with the Human Resources Committee and talk about a succession plan and some organizational changes.

Public Relations

Dennis reported that we had a call from the Board of Education. They apparently really embrace what we have done over the years with the Earth Day program. They are going to have a recognition of 4 of the students who when to public schools and asked us to be represented too. Marianne Arce will be coming also. She organizes the entire project and it is a lot of work and she will be recognized also. From a historical standpoint we have had this contest for about 19 years and we have over 100 awardees and given the average number of posters that come in almost 4,000 have been submitted and up to 9 schools have been involved. Dennis related a story about one student from Creative Achievement Academy whose mother approached him and told him how happy her son was because he had never been recognized or won anything in his life. We probably still have the picture and if you look back, this young man has the biggest grin. We will be going there on Wednesday night to represent the Authority.

Insurance Committee

Carol Ricci reported that this insurance took a great deal of time and effort on the part of our brokers and the Authority. We went out seeking proposals to many companies; some quoted and some did not respond. We finally concluded that American Alternative, even with their rate hike was the best deal for the Authority and Public Officials and Pollution Liability quote remained unchanged.

Allocations/Administration

Dennis stated that just as a follow-up to Bob, there is some interest on the commercial side.

Old Business: No report

New Business:

Dennis stated that he did get the chance to introduce the Lieutenant governor at the Chamber of Commerce Event. She teased the members by giving out her cell phone number and I texted her the next day to thank her for attending on that number and she did reply.

Adjournment:

At 6:27 p.m. there being no further business to come before the Board, it was moved by Gana and seconded by Villar that the meeting be adjourned. Roll call: Villar, Merighi, Gana and Silva voted "yes".

THE LANDIS SEWERAGE AUTHORITY

FRANCIS A. GANA, Secretary