

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
October 21, 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 and Errickson were present.

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

Chairman Errickson 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
Thomas J. Post	Business Manager

It was moved by Gana and seconded by Villar that the reading of the minutes of the regular meeting held on October 7, 2013 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Villar, Merighi, Gana, and Errickson voted "yes". Silva abstained.

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 Silva that Resolution No. 2013-158, "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.....\$62,169.22", be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted "yes".

It was moved by Gana and seconded by Silva that Resolution No. 2013-159, "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...\$311,991.19”, be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

It was moved by Gana and seconded by Silva that Resolution No. 2013-160, “A Resolution of the Landis Sewerage authorizing the award of a non-fair and open contract with Health Insurance Solutions and CVS/Caremark to provide a self-funded prescription medication program from November 1, 2013 through October 31, 2014 in the amount of \$348,965.23...” be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

It was moved by Gana and seconded by Silva that Resolution No. 2013-161, “A Resolution of the Landis Sewerage Authority authorizing a contract amendment increasing the contract to Hatch Mott MacDonald to address additional design services for the Burns Avenue Sewer Extension project...” be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

It was moved by Gana and seconded by Silva that Resolution No. 2013-162, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$13,021.76 to GHD Engineering for professional engineering services from 8/26/13 to 9/22/13 for Bond Financing in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

It was moved by Gana and seconded by Silva that Resolution No. 2013-163, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$17,337.81 to CSTK for truck body installation and installation of Red Dot air conditioner in John Deer 3555 tractor in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

It was moved by Gana and seconded by Silva that Resolution No. 2013-164, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$1,271.18 to Halliday Products for (2) SIS Access F & C at \$539.00 each plus freight in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

It was moved by Gana and seconded by Silva that Resolution No. 2013-165, “A Resolution of the Landis Sewerage Authority authorizing the exclusion of the public from a meeting between the Landis Sewerage Authority and its general counsel and administrative personnel to discuss matters falling within the attorney client privilege and contract negotiations with the City of Vineland...” be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

Dennis Palmer suggested that this motion be moved to the last item on the agenda. Chairman Errickson stated it is so noted and will be taken up after “New Business”

It was moved by Gana and seconded by Silva that Resolution No. 2013-166, “A Resolution of the Landis Sewerage Authority renewing the existing cash management plan and its amendment...” be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

It was moved by Gana and seconded by Silva that Resolution No. 2013-167, “A Resolution of the Landis Sewerage Authority adopting the preliminary budget resolution of the Landis Sewerage Authority fiscal year period January 1, 2014 through December 31, 2014 ...” be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

It was moved by Gana and seconded by Silva that Resolution No. 2013-168, “A Resolution of the Landis Sewerage authorizing the award of a non-fair and open contract for special counsel and legal services...” be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

It was moved by Gana and seconded by Silva that Resolution No. 2013-169, “A Resolution of the Landis Sewerage Authority authorizing the Executive Director to award a contract to P & A Construction, Inc. in the amount of \$1,065,650.06 for the Burns Avenue Sewer Extension...” be adopted. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

Reports:

Executive Director

Dennis Palmer reported that we have been working on the bid openings for Burns Avenue for over a year counting the time we worked with Conrail where we had extremely competitive pricing. The first two low bidders actually came in under the engineer’s estimate and we were very impressed with the number of bidders we had. There was some really tight bidding with bidders one through four. We have taken action on that tonight.

Dennis also reported that he and Steve Fabietti have been working on a couple of personnel matters as well as someone on our staff being involved which is not ready for disclosure at this time.

Today we took action on the prescription plan and we also took action on the introduction of the budget and we had a good meeting with the finance committee talking about several things. The cash management fund was also amended and modified as an outcome of that budget meeting.

Dennis stated that he received a memo on grasses pertaining to our issues at the farm and that is not only an issue in New Jersey but the whole Northeast. This is because of all of

the rain this spring and the heat during the summer. We continue to work with a professional.

Dennis reported that he had a short meeting with the City's business administrator to talk about some general things and he came here for a tour.

We also had two people come in from Burlington County College working on a term paper for co-generation and they came to see our combined heat and power plant. Today we also had 46 civil engineering students from Rowan University. They are junior civil engineers doing their wastewater curriculum. They came for a tour of the plant.

Dennis reported that he received and we've made a payment to GHD which is formerly CET Engineering. They have their preliminary report to me now on their projected construction costs to be looking at the bond for the treatment plant. We are looking at \$9.4 to \$9.5 million for construction costs and 15% or so for engineering. We are waiting for the collection system at this time.

Tom Merighi asked if the bond had anything to do with the engineering firm. Dennis stated that the reason to go into the bond is to have some reasonable numbers and calculations that we should borrow. We are trying to project what we think we will need for construction.

Field Engineer

Bob Schwarz reported that LSA will be obtaining the easement paper this week for the required easement on the Burns Avenue Sanitary Sewer Extension project. The Solicitor has prepared the documentation required and the Authority will have the easement recorded.

Bob also stated that work should be completed on the Wexley Way Sewer Extension project by the end of the month.

Work continues on Lincoln, Chestnut and Valley Avenues. Paving is scheduled for Valley Avenue this week.

A manhole was replaced by LSA staff at Palermo Avenue between Cavallo Drive and Musterel Lane.

Solicitor

Steve Fabietti reported that he and Dennis are still working on the employee matter and the easement that Bob mentioned and Dennis stated that we are having a dialogue on a bond matter. Steve Fabietti stated that we've had an inquiry from an unsuccessful bidder on the drilling project that goes back a couple of months and we have been trying to satisfy the questions that were raised. They were the second place bidder for the project. He did not contest it in a timely matter when the bid was awarded.

Chairman: No report

Issues and Correspondence: No Report

Committee Reports:

Engineering/Plant

Dennis reported stated that we talked about some of it with the Burns Avenue project and the bond. We are waiting for some sort of preliminary numbers on the collection system. We have been working with the finance committee on our five year capital plan which includes those two items which are the plant and the collection system. We are looking at resiliency, redundancy and recovery which are three key things when you are dealing with Irene, the derecho and Sandy. We are looking at covering our stations which two portable generators on trailers and a pickup truck that is coming in the fall and another diesel powered pump in the bond. We are looking at a couple of stations for permanent backup facilities.

Budget/Finance

Tom Merighi stated that everyone received a copy of the financials in their packet. Thomas Merighi reported that income is approximately \$267,484.00 or 3.73% over budget. Expenses are approximately \$71,425.00 or .99% under budget. Accounts receivables decreased approximately \$301,525.00. The Authority continues to be affected by the economy and is keeping a close watch on the economy.

Tom Merighi also reported that we did have a finance committee meeting on Thursday of last week. Tom Post is here in case we have any questions on the budget.

Dennis stated that we have to make some changes to the cash management plan and we had bond counsel review the flow of funds and they have given us advice moving into the future.

Carlos Villar asked about the \$965,000 that are owed to the Authority. About \$790,000 of that \$965,000 is 90 days or better past due. Carlos Villar asked if that was normal or is that because of today's economy.

Tom Post stated that it is because of today's economy but we did have our tax sale on October 11th and we collected \$185,000. Tom also reported that most of those accounts will not be paid until next year.

Carlos Villar stated that the operation is run successfully even though the monies are not forthcoming.

Dennis stated that this is one of the items he talked about to the business administrator since the issue was brought up earlier this year. The law specifically says shall, not

should or will or could, place whoever owns the water system on notice that someone has not paid their sewer bill that they shall cut off service. There is an appeal process to the local board of health for extenuating circumstances. I previously e-mailed him a copy of the law and it needs to be followed up.

Francis Gana asked what his response was and Dennis said that the business administrator would meet with his people to see how we could pursue this. It does not need to be an ordinance, you are enforcing what the law says. The law has relief mechanisms in it so there is no need but to assure the City where we have a process. We are not going out to people who owe us \$100. We have a threshold of \$1000 which means they are into us for over a year to a year and a half. We would give them one more 20 or 30 day notice or something of that effect that at the end of that point in time, if you have not made payment or come in for a payment plan, with interest, then we would say they have not met with us or scheduled payments, they still owe us then we would shut off the water.

Tom Merighi asked if we had to approve anything tonight on the budget and Dennis replied that tonight we approved the preliminary budget and at the second meeting in November we would adopt the budget. This is a two-step process.

Human Resources

Dennis stated that he and Steve Fabietti are working on a matter regarding an employee.

Public Relations

Dennis stated that he attended the Water Environment Federation international of scientists, engineers and water professionals in Chicago. I am one of the three delegates from New Jersey. The national association was gracious enough to give us an opportunity and I did a fifteen minute power point on NJ water heroes. It consisted of photos and other information from some of the very large plants in the State. PBSC in Newark, Bayshore which is on the Raritan Bay, Toms River and South Monmouth. We showed the inundation and flooding in these facilities, in some cases the entire facility was under five feet of water and they were already built above the 100 year flood plain, with marshland and bulkheads built around, the tidal surge and the size of "Sandy" coming into Jersey. Dennis said it was a nice thing for a national association to ask me and they wanted to hear the story. Two years ago they recognized the folks in New Orleans and gulf area after "Katrina". This was number two after "Katrina". This was probably a number one because of such a populous area. The uniqueness of the Bermuda high being off of Canada and the jet stream bifurcated the split. Hurricanes never do this, they run in and up and the jet stream usually pushes them out to sea. Never has a hurricane come up and made a left hook like that.

Today we met again with NJ Fish and Game and the quail project will continue to work. They are very excited about our site. They are going to help us to get seed, plantings,

dogwoods and other things that help protect quail. They are trying to get “Field and Stream” involved in some of the aspects involved in trying to bring Bob White back. Nationwide Bob White went from 40-45 million to 4.5 million nationwide due to the loss of habitat and not having the right cover and places to hide. It’s an exciting and interesting project and the folks that we are dealing with are excited also. We can irrigate, put in hedgerows to give the birds protection and they are really excited that the Authority could be a center or incubator for wild birds and they can then trap them and move them to other areas. It’s a multiple year project.

Insurance Committee

Carol Ricci reported that we acted on our self-funded prescription medication program with Resolution No. 2013-160 tonight. This award was claim driven and we will realize manufacturer’s rebates in the amount of \$8100.00. Additional cost savers put into the plan are generic step therapy for all drugs and not just specialty. Also many brand drugs will be coming off of the patent list and that should aid the Authority in realizing some savings over the next year.

Allocations/Administration: None

Old Business: None

New Business:

Dennis stated that the Commissioners have information about the AEA Fall conference. It’s always a place to pick up new ideas and see what other Authorities are doing. Please get back to Carol quickly since we have to register.

At 6:24 p.m. it was moved by Gana and seconded by Silva to proceed to the closed portion of the meeting. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

Adjournment:

At 7:56 p.m. there being no further business to come before the Board, it was moved by Gana and seconded by Silva that the meeting be adjourned. Roll call: Villar, Merighi, Gana, Silva and Errickson voted “yes”.

THE LANDIS SEWERAGE AUTHORITY

FRANCIS A. GANA, Secretary