

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
April 7, 2014

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: Reuben, Merighi, Villar, 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
	Nicole Curio	Solicitor
	Kimberly A. Procopio, Esq.	Nehman, Perillo & Davis P.A.
	Carol A. Ricci	Executive Secretary
	Marianette Arce	Secretary
	Ivan Arroyo	Landis Middle School
	Nadia Calderon	Wallace Middle School
	Karli Cervini	Rossi Middle School
	Ike Isaac	Creative Achievement Academy
	Timothy Jalowitz	St. Mary's School
	Giana Mercado	Cunningham Alternative School

It was moved by Silva and seconded by Villar that the reading of the minutes of the regular meeting held on March 17, 2014 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Reuben, Villar, Silva and Errickson. Merighi abstained.

Dennis Palmer stated that this was one of his favorite times of the year. He explained to parents and students that we do a lot of environmental projects at the Authority such as planting 7,000 Eastern White Cedar Trees. We are also working with the Fish and Game Commission on the quail project and the Natural Turkey Federation. We are re-establishing the habitat for the quail or the bob white. The population of these birds has

dropped off a lot over the last twenty years. You used to be able to hear their whistle and we have not heard it for about fifteen years so we are trying to re-establish their habitat.

We have been having this contest for about fifteen years with students throughout the district to encourage them to think about the environment and more so the water environment. We asked them to do an Earth Day poster and we would have a contest. So now we are going to have our students get the recognition for their posters.

The 2014 Earth Day Poster Contest awards were presented by Chairman Steven Errickson and Executive Director, Dennis W. Palmer to the following students:

Ivan Arroyo	Landis Middle School
Nadia Calderon	Wallace Middle School
Karli Cervini	Rossi Middle School
Ike Isaac	Creative Achievement Academy
Timothy Jalowitz	St. Mary's School
Giana Mercado	Cunningham Alternative School

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 Villar that Resolution No. 2014-39, "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.....\$86,215.36", be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

It was moved by Silva and seconded by Reuben that Resolution No. 2014-40, "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....\$355,473.45", be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

It was moved by Silva and seconded by Villar that Resolution No. 2014-41, "A Resolution of the Landis Sewerage Authority authorizing the exclusion of the public from a meeting between the Landis Sewerage Authority, its general counsel and administrative personnel to discuss litigation, the collective bargaining unit contract and related matters falling within the attorney client privilege..." be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

Chairman Errickson asked for a motion that Resolution No. 2014-41 for closed session be tabled to number 11.5 on the agenda. It was moved by Silva and seconded by Reuben. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes"

It was moved by Silva and seconded by Villar that Resolution No. 2014-42, “A Resolution of the Landis Sewerage Authority authorizing the executive director to enter into an Interlocal Services Agreement with the Cumberland County Improvement Authority....” be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted “yes”.

Dennis Palmer stated that we have been doing this for more than twelve years. WE kick in a certain amount of money and they do an extra hazardous waste day with the contribution that we make, Millville and CCUA.

It was moved by Silva and seconded by Reuben that Resolution No. 2014-43, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$117.27 to Hatch Mott MacDonald for Construction Services for the Burns Avenue Sewer Extension in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted “yes”.

It was moved by Silva and seconded by Reuben that Resolution No. 2014-44, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$6,901.98 to Garrison Enterprise, Inc. for labor, material and equipment to replace 20 feet of 8 inch sewer main located on Howard Street in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted “yes”.

It was moved by Silva and seconded by Reuben that Resolution No. 2014-45, “A Resolution of the Landis Sewerage Authority summarizing allocation activity through the close of Allocation Round 150....” be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted “yes”.

It was moved by Silva and seconded by Reuben that Resolution No. 2014-46, “A Resolution of the Landis Sewerage Authority authorizing correction on credits, charge-offs, refunds and cancellation of accounts in the amount of \$5,405.50....” be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted “yes”.

It was moved by Silva and seconded by Villar that Resolution No. 2014-47, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$2,059.27 to Garrison Enterprise, Inc. for labor, material and equipment for emergency repair of a manhole at Brewster and Redcrest in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted “yes”.

It was moved by Silva and seconded by Villar that Resolution No. 2014-48, a Resolution of the Landis Sewerage Authority authorizing an Interlocal Services Agreement between LSA and the City of Vineland to provide a greater level of government service through a

shared services agreement...” be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted “yes”.

Dennis stated that we will have discussion on this with Special Counsel Kim Procopio attending. We will brief the Board.

Kimberly Procopio stated that this is an Interlocal Services Agreement between the LSA and the COV with regard to specific services. As most of you probably know there is a state law that says the municipality can use up to and not to exceed 5% of the surplus that is available from the LSA for various municipal project. This is an agreement that attempts to delineate some services that perhaps the LSA would be more suited to provide to assist with the Water Utility and the City of Vineland. Specifically it addresses things such as purchase of vehicles. In short it says that if they want to purchase a vehicle and they want you to contribute to it, they have to ask you and then you either agree or don't agree. If you don't agree they can buy it themselves, it cannot happen, but they can't force you in any way make you purchase the vehicle they want. It addresses such things as sanitary sewer installation, e.g. there are services where Director Palmer may be able to add in an advisory capacity to them with assisting them in order to carry out sewer installation or other types of services for which he has specific knowledge that would save them money. There are a few other things in here, e.g. street paving, the City and LSA will share in that paving. The City will be responsible for handling all of the hassle of the public bidding process. You won't be required to advertise for it and they will have to use their own forces and equipment for street paving and things of that nature. There are provisions in here for the COV and the LSA to share in the maintenance and cleaning of catch basins and storm sewers and in the future the LSA will designate in equal number of such facilities in the COV to maintain. That's obviously to everyone's benefit because you are concerned about water quality so there is no reason not to join forces on that. As far as vehicle maintenance and borrowing of vehicles the COV and LSA are going to share in the maintenance of their fleets that they have together. LSA can use the City's repair facilities for maintaining its vehicles and if you have your vehicle serviced at the City, you have the obligation to reimburse them for the cost of the repair. It's a pretty straight forward agreement. Most of the agreement falls along the lines of what I said so far. The City and LSA are going to share in the maintenance of easements and the LSA will designate easements in the future in the COV. The only other thing that came up was I got an e-mail from the City's attorney at 4:30 today with his comment on the agreement. We were waiting for them since a week ago. I received them at 4:30; I showed them to the Director on my phone as they came in while I was leaving to come here. There are a few minor things that he added in. The only one that has any substance to it is in Paragraph 2.3. He added in the following language. I want to read it to you since it is the only substantive thing that he added that is not in the version that you have seen. He added the language “The LSA shall hold the City harmless for any action brought in furtherance of this article and shall indemnify and reimburse the City for any costs it may incur as a result of the City performing its obligations, which means the LSA's obligations hereunder including reasonable attorney's fees.” Ms. Procopio stated that she would have added that and she is on the City's side with this. We did not enter it

because we represent you. It's fairly standard language and I don't intend and I don't think any of you intend to have them need you to refuse that paragraph.

Dennis stated that there are no deal breakers in here. There is nothing that kills anything.

Jose Silva stated that it's common language. Dennis reported that one section states if we borrow vehicles we return them in like condition. It's the same if you have a rental car. You walk around the vehicle and take pictures. In this case it will be more contractors' equipment. We have more generators and more pumps than they do.

Kim Procopio said it is going to be mutual that whoever borrows equipment should return it in the condition in which they got it. The only thing I suggest, in fact the request only came in this afternoon, what I suggested to Director Palmer when you are going to implement this agreement, it might be a good idea to have a policy that whoever picks up the equipment is not only responsible for photographing it for anything noticeably damaged but also filling out a short inspection report saying I picked it up, I walked around it because maybe there are things are not visible. For example if you pick up a truck and you drive it away you hear the muffler rattling; it's not going to show on a picture but you want to make sure when you give it back you don't get blamed for it. That is really the only other change they made to the agreement. Ms. Procopio asked if there were any other provisions you looked at that you may have a question about or want an interpretation of?

Jose Silva stated that when he went to the recitals on page 1, I found line 1,2,3,4 under b. This is in the future the City Council shall determine what funds are needed on an annual basis for municipal projects which may be less than 5%. Does mean that we have to pay the 5%.

Dennis stated that it is to make it clear that it is Council, not the administration. That was really the biggest intent of that section and also in that discussion as it said in the newspaper, Council President said this is not like having a yearly lottery. If we are better at budgeting and we don't need all of the money from the Authority, we will go with some number less than the 5%. The real purpose of that is say it's Council's determination not the administration. The administration for two years in a row has asked for everything.

Jose Silva asked if there is anything in there that says in exchange for the services that we don't have to pay the full 5%.

Carlos Villar stated that these are services, we are sharing. Jose Silva asked in exchange for those services do we then not pay the 5%.

Dennis stated that in the shared services there is no dissolution. Jose Silva asked is there language that because we are shared services there won't be dissolution.

Dennis stated that it was implied and that was the headline in both newspapers. That was the Council President's words at the table.

Carlos Villar stated that this is the reason for doing shared services. Jose Silva asked again that is there nothing in there that we are not going to take you over in the next three years if we have these shared services. That's what would make me feel comfortable. That specific language.

Kimberly Procopio stated that there are certain services that you are in essence taking over from the City so once you take them over there is a termination clause in the contract. It is on page 7 which says it is a 90 day written notice to the other party that you want to terminate. If there is cause you have to identify the cause and given opportunity to cure. Either party can terminate for public convenience but public convenience has been defined in case law so they would have to meet that standard in order to dissolve and you are still required to give notice and the last provision, the termination paragraph, doesn't deal with the reason it just deals with the fact of the indemnity if either party does.

Jose Silva stated you can understand my concern that no specific language protecting us from a takeover. We are entering into this in good faith that they are going to back off, but there is nothing in here saying that in exchange for this agreement you won't take us over and we are going to supply this. I want to see that language.

Dennis Palmer stated that those words aren't there, those words were said at the meeting and it was said in the newspaper as well. Jose Silva again stated that it is not in the contract.

Carlos Villar stated that the whole atmosphere of the meeting changed from what we initially went to do, to what it actually became and it is a very friendly exchange of ideas and services with that understanding. That's why we are doing this otherwise we would not have spent the time doing this and understand that legalize speaking, you would like to see it in black and white and I don't think that's the intent of what we did there.

Ms. Procopio said that if it was actually in the agreement, I think it is probably ultra-virus or void against public policy because I don't think that anybody could ever agree that they would be barred from exercising their governmental responsibilities and rights. That is just my gut reaction of doing years of governmental work. I would like to see it in there too but I just don't think it would be enforceable. In essence what the agreement seeks to do is make you indispensable to them and make them a partner with you. If you have a partnership arrangement it's more difficult to break apart.

Carlos Villar stated that you can get out of this at any given time. That's part of this deal with 90 days' notice. You can put that in there if you want and it wouldn't matter because in 90 days they could do it anyhow. It's much better to have a friendly understanding and an agreement to share all of these services than to try to get it in black and white where in 90 days it wouldn't mean anything anyway.

Jose Silva stated that he doesn't do government law, however the fact that if they waive their right to exercise whatever their right is in exchange for something, it is a contractual obligation. They then would have to go to paragraph 12 for termination which they could exercise within 90 days' notice.

Dennis Palmer stated that if you had the words in there are we circling logic, you could get a 90 day termination and in 90 days you are out. Jose Silva said that when we had the meeting with City Council it was agreed that if we did this they wouldn't take us over at least on a temporary basis which is what Gonzalez said.

Carlos Villar stated that is the implication. Dennis said that Council President said the same thing in the newspaper. I agree with Counsel. I doubt the words would be there. In my mind, the strength that we have had throughout the last nine months is public opinion, the business community's opinion, the letter to the editor writers, the editorial board of the newspaper. Again if someone wanted to change the direction we have been moving in they would have to go up against all of that. I think that everyone recognizes on the public side there is an agreement here and face to face in the meeting we had, the Council President said and those were the headlines in the paper. It is what it is and sitting in that room and having the discussions with Council President and a Council member there, this is the direction in the agreement that there is no takeover and the Council President's opinion and that's what he said in the newspaper.

Chairman Steve Errickson stated there is something else that everyone is forgetting. We had an historic meeting of this Board and City Council and the Mayor. At that time the purpose of that meeting was to discuss shared service or takeover/merger. Everyone had an opportunity to speak and give an idea what they wanted to do. The result of that meeting was that we decided as a group, as a council and as a board, we decided that we were going to venture into a discussion regarding a shared service agreement. The moment they did that, the takeover and the merger or the dissolution was put on the back burner.

Our whole thing hinged on our discussion on putting together a shared service agreement which was the idea for shared service and not dissolution and not merger. All of that went by the wayside and as soon as we come to this agreement, they are telling us and we are telling them we are agreeing to a shared service agreement to do all of these things to save rate payers money and to save taxpayers money. The dissolution is off the table for now. It can come back at any time because that is their legal right to do so, but as a group we decided we are not going to dissolve LSA and we are going to work together and go with this agreement and we think we are going to save a lot of money for everyone and it's a better route to take.

Dennis stated that they key thing in all of this, and it came up in earlier meetings, it came up when Vice-President Spinelli brought up the issue and we have grown on the issue and that is whatever money is transferred to the City that is just doesn't go in the black hole of the budget. The first \$50,000 of whatever money we transfer goes to

infrastructure projects. It goes to sidewalks so children can go to school safely. It can go to intersection improvements so there can be traffic lights at areas there are none or other ways to make it safe for children and the public to go about the community in a safe manner. Those are critical areas of it that just don't disappear. Some of it can be used to support grant writers who can go out and get more state and federal grants to effectuate all of those things. After the tragedy on Main Road, can we do something for children going to school to make it safer? That is part and parcel of the document that the first \$50,000 every year goes into projects like that.

Steve Errickson stated that also in the recital on page 1e further language strengthens the understanding that this is a shared service. It says "The City and LSA as local units, defined by the act, are empowered to enter into a shared service agreement." We are not entering into a merger and not being dissolved. We are entering into a shared service agreement as local units. This can work and I think they recognize that the LSA is run properly and has been run properly for a long time not only by the members here but members before us and for a long time. It's a very good organization and it is recognized that it's a good group and we handle the job, it's better to a shared service than to be dissolved and taken over by the City. They have agreed to that and they understand that and that's why it's called shared services and that's why we are doing a shared service. To get language that's going to make it concrete, I don't think we can because the law is on their side as a governing body. They can dissolve us anytime they want to but we have different agreements to that.

Jose Silva asked about page 2 h. It states that Dennis, you are going to be working as an advisor. Are we going to get a monetary credit for your time spent as an advisory counselor?

Dennis said could I track it, yes. Jose Silva said when they say to us they want \$450,000, can we say we spent this much time with you. We are going to take a credit. Is that in there?

Dennis stated that it's to do it for free. It was always the intent. The Mayor and the Director are in charge. I would go as advisory. What I envision at first is not a supervisory level, but to compare what do I have in parts, pumps and generators and what do you have. What skills do you have? We do not know a lot about deep wells. They do. My guys may be better mechanically with pumps and motors. Where can we work together as two units? There is no monetary value on it, it's a shared service. There is an analogy I gave Council President and Vice-President is that my other Authority at a county level, the County lost their director of parks so we lent our deputy executive director to the county for a period of time and it was two to three days a week to help run their organization. Another friend in Hamilton Township in Atlantic County had these same issues with dissolution and one of the things they helped with was their town lost its public works director and you need a certified public works director's certificate to run that department. Their executive director and certainly I do as well, had that public works director's certificate and he helped cover for the township and this helped their budget. It's another set of chips you put on the table. The only thing is if I am over there, their

insurance would cover me for anything done on City time. What it would do is that twice a year we would get together and do a little tabulation of who shared what to track what took place so if I went over and put twelve hours in over a span of six months or a 12 hours, it would be tracked. If they borrow our pumps or generators, we borrow a backhoe or excavator, we keep track on it. That committee would not only meet twice a year to see where things stand but that would also be a committee of appeal if there was an issue that arose during the course of the agreement, that's where the appeal would go to. That answers the questions that no, there is no credit, my time is just like borrowing a piece of equipment.

Kim Procopio stated that 40A, 5a there's 12.1 there is a statute that permits the municipality and through the municipality action is the governing body to take up to 5% of your surplus, gives you absolutely no right as to how it's spent. One of the things you can focus on in this agreement is that you have gotten control over the first \$50,000 as an Authority to protect children going to school and other things that the Director said by mandating that it go to capital improvement and them agreeing to that, you've gotten the ability to use \$50,000 a year surplus for the public good when you don't otherwise have that right. Statutorily you have absolutely no right as to what happens with that money. They have the right to take it and use it. The Authority ought to be commended for looking at a way of using some of your surplus in a way that you approve of and in a way that benefits the public good and in particular in light of the incidents that have gone on, child safety going to school and that is a right you don't have a right to do otherwise. So there is some benefit in here in a financial sense, it is just not remuneration to the Authority. It is in the larger public good.

Tom Merighi asked with regard to the term, there is a three year term and I notice that when politicians do planning and announce dates, that always seems to be well past the time that they are elected. We are kind of going to the end of when this current City Council will be up for re-election. Did we push the envelope as far as we could with regard to the term?

Dennis stated that three was kicked around and we started this in December. We weren't even looking at the calendar and it actually comes up a little after the next election and after the next swearing in into February or whenever that is. Three, for something that is brand new, I think three is about as long as I would be comfortable and to do it successfully we could probably explore four or five years. I think two is too short. It's going to take a while to get together and meet with myself and the City directors because in years past we have done a lot more with public works than we have with any other department. Maybe we can help the health department with laboratory services; if we do a joint bid that includes some of the things they do as well as the electric utility uses the sampling they have to do to keep permits. It's expansive in a lot of departments. I know at some point it is going to be just with the electric utility, but our track record has been more public works, we help each other out. We weren't looking so much at the political standpoint as much as what a reasonable length is of time to get up and get started and have something implemented in it. A year to start up, two years to implement and then re-evaluate at the end of that period.

Chairman Errickson stated that starting off is probably the hardest part. If you have never been involved in a shared service, starting off is the hardest part because you are not sure how it's going to work. In three years I think that people are going to see it does work pretty well. This is my fourth shared service that I have worked on. They have all worked very well. What the City of Vineland forgets because they are too young. Kimble Glass had a shared service with the City of Vineland. It went pretty well and I was involved in that and two others. Because of that I know what it can do. I think it's important for LSA in order to stay as a standalone, it's important to do this shared service. I'm not afraid of it. The people we dealt with were pretty fair minded. I see it as a work in progress. It is something that is going to be added to, subtracted from, modified and perfected as we go along. People are going to see how good it is and the good will that it generates. Its win win all the way around. I'm not worried about the politicians because they thrive on success. It's a good thing if they are going to hold up as hey look what I did. That's fine. It is going to work, people are fair minded and I think it's going to be good. Because of my other experience I am going to recommend that we vote for this tonight.

Dennis stated that over the years and tonight with the County, that's a shared service to, we have probably done dozens when you count in all of the improvements to streets and roads, sewer lines, industrial parks. We also share over the years buying fuel from the County's bid and we have also done paving as well off the County's bid. This is the most expansive and inclusive one that we have done. Most intend to be project specific but this is much more expansive and has a life of three years and we will re-evaluate at the end of three years. We may see things added and things pared. We'll go back and see what works best as we know more about each other.

Chairman Errickson asked if there were any other statements or comments.

Jose Silva stated that he would do the motion but he would like language saying without throwing the contract under the bus. Steve Errickson stated you are going to throw the contract under the bus. Carlos Villar stated that this is a time sensitive situation that we are pushing.

Steve Errickson stated that we need to show we can get this thing done. We've spent three months on this thing and its three months too long. This should have been done in about six weeks.

Tom Merighi asked if they are changing the language, they told us about it. We don't have a final copy of the agreement how can we do anything without that. At the last hour they changed the language. Jose Silva stated they are only changing that particular paragraph. They are changing that they will not be held liable for delinquent accounts on page 5 at the end of paragraph 2.3 right before 2.4 it says that the City will not be held liable, that we are going to hold them harmless. Tom Merighi said that the only changes they are recommending to us. Kim Procopio said other than one typo, one place where he changed it to say we return the goods in the condition that you received them in, everything else was inconsequential and the Director said it just clarified things that were

already discussed. The only change that was significant in the legal implications for the agreement was the sentence I read out loud to you and I am leaving a copy, apparently the City's attorney is not familiar with red lining so he just went in and made all of the changes and did not red line it so I marked one copy as his version and one copy as our version and then there is an e-mail that spells out everywhere he changed a word and he wrote it out in a list. I got it at 4:30 today so I e-mailed it to the Director as I was leaving. That is the only substantive legal change in the document.

Chairman Errickson stated and correct me if I'm wrong, this is the way I do all of my business. My feeling about this is I would like to pass this tonight, but before I sign it as Chairman of the Landis Sewerage Authority I want a complete document without flaws. I don't want anything red lined, I don't want it initialed, and I want a clean copy.

Kim Procopio stated that she absolutely agreed. What he sent back wasn't red lined. He just changed the document and it doesn't show where the changes are tracked so I needed to compare to the list that he sent into our other document.

Chairman Errickson stated that he would like to pass this tonight but before I sign I want the perfect document.

Tom Merighi stated that if that was part of the motion he would support it.

Steve Errickson asked if there were any other comments on anything. There were none. Steve Errickson asked for a motion to accept the Interlocal Services Agreement with the City of Vineland. It was moved by Silva and seconded by Villar. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

It was moved by Silva and seconded by Reuben that Resolution No. 2014-49, A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$475,286.28 to P & A Construction, Inc. for work completed on the Burns Avenue Sanitary Sewer Extension, Estimate No. 1 in accordance with the provisions of the Authority's General Bond Resolution... be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

Reports:

Executive Director

Dennis Palmer reported that it has literally been a year since Carlos, Tom Post and I went up and had the meetings in City Hall in March and the various meetings we had here. It's good to see a lot of smart minds get together and do a smart thing.

Dennis also stated that the DEP is looking to raise our permit fee from \$19,000 to \$92,000. I am working on a comment letter and planning on going to the public hearing on April 16, 2014 at 1:00 p.m. Dennis said he had been riling up authorities all over the state on this issue, we have the Authorities Association and we had a conference call, five

authorities plus our executive director talking to DEP folks the other week. It's arbitrary and capricious. They treat groundwater discharge is different than surface water discharge, the unfairness of it. You have hundreds of permittees paying the minimum fee of \$450 and that has not been changed since 2007. There are a lot of aspects to the program. They changed their groundwater permit from \$1.7M to \$3M dollars. The overall budget only went up a couple of hundred thousand. Groundwater got hammered as well as large permittees. Passaic Valley's permit went up by over a \$100,000 as well as some of the other large authorities. Dennis stated that he was talking with Progresso last week and theirs went up 250% since they are one of the largest in their category of industries discharging to treatment plants. Anybody who is at the top got hammered. Dennis reached out to Assemblyman Fiocchi. Dennis said he introduced the Lieutenant Governor at the Chamber dinner last year and we were out in the hall talking for a while and we came in and introduced her as legislative chairman of the chamber. At that meeting she gave out her cell number at least three times and I wrote it down. I texted her the next day to say it was nice to see you and it was my pleasure to introduce her. She wrote back it was a great group of people. Two weeks ago I sent her a text at 3:09 in the afternoon saying that our permit was outrageous, I met you at the chamber last year, our fees went from \$19,000 to \$92,000 and this is ridiculous. At 3:10 she called back and I explained to her the situation. I am writing to my Assemblyman, I have information and I copied her as well. I'm not sure how far it's going to go but the fact that it happened; it gave me the Kim card to play later. When we had the conference with DEP, I made sure I played the Kim card that I called her and she responded back. I gave DEP a little jab that if you get a response from the Governor's office you will know why you are being asked what is going on with these permit fees. I gave the same phone number to Progresso if they want to exercise that as well. We are working from the bottom up and the top down with the different Authorities in the state that this is ridiculous. We had headlines in two papers, South Jersey Times and the Daily Journal about this permit fee. I told DEP that you want resiliency and redundancy and want the Authorities to handle storm situations. This \$60 or \$70,000 is the kind of money we have put aside to buy two more generators. They put us in a position that if we have to pay these increases in fees, it will hinder our ability to handle resiliency and redundancy. The purpose for that is the Assistant Commissioner is pushing for that and she is in charge of resiliency and redundancy. I told her that she is causing us to not be able to do that and there are other inequities. There was a big pack in your folder that dealt with that issue.

Jose Silva asked if we received a response from Mr. Fiocchi and Dennis replied that he did not. He is probably inundated and DEP is not a fight he wants to take on. Dennis stated that he will follow up with him. We had a nice story in the business section with him in January.

Dennis stated that this was such a severe winter and we are now seeing in roads around town that there are probably at least five places that because of the extreme cold and frost heave that we are now finding trench settlements in different areas. We are working on North Mill Road, a small job on Pennsylvania and something more significant on Palermo and some others. WE have to check our tonnage and we may be getting close to the County contract.

Bob Schwarz stated that we are getting prices from small contractors and Dennis said we can compare it to what the County has.

Field Engineer

Bob Schwarz reported that the Burns Avenue project is moving forward and the anticipated completion is approximately two weeks. The contractor must complete testing, restoration and inverted syphon. Work is on schedule. Contractor is being observed as work progresses to assure everything is being performed in accordance with the plans and specifications. Bob also stated that he is preparing a summary of the project for the EDA administration.

Bob also reported that we are setting up a meeting for 715-719 Park Avenue regarding the latest issues. The County is also planning and performing work at the intersection of Elmer and Main Road in the near future. They will contact LSA about the design.

Tom Merighi stated that tonight we approved an emergency repair for a manhole cover. Bob said it was a manhole frame and cover which encountered a snow plow after a snow event and it was a hazard to the community by virtue of the manhole frame and lid being knocked off. The manhole precast frame had to be repaired on an emergency bases. Tom Merighi asked if it was a County road and a County snow plow and do we have to pay for it? Bob stated that it was and we do have to pay for it. Tom Merighi wanted to know if they alerted us and Bob said that a policeman notified us that a manhole was off and there was a policeman standing by the manhole and also that it was a hazard to the community and motorists and it needed immediate repair. Bob said we fixed it and asked questions later.

Solicitor

Steven Fabietti stated that his comments would be for the closed meeting.

Chairman

Chairman Errickson stated that he wanted to mention something about the shared service. He said he mentioned about the Board and what I meant was that all of the Board members before us, including this group; but also I wanted to make clear that what really makes it go here is Dennis, Carol our legal staff, Steve and the whole group at LSA that makes me want to be here. It's easy to do and it's kind of a labor of love. It's the whole group that really makes things go. Steve stated that it's one big team and for whatever reason board members and we've had all kinds, everyone gets in line and they have something to contribute. It's really a good group and always has been. It really runs well and I am really proud to say that I've been here at LSA. It is the best organization in the City of Vineland. We're tops and there's no doubt about it. It would be a shame for the City to take over. The City has its problems. All cities have their problems nowadays.

The economy is terrible, there is no business coming in. Things keep going up and it's a rough job to be a mayor or councilman today any place but it's really great to be here.

Issues and Correspondence:

Dennis stated that we have a couple of items and one is to advertise for bids for the co-gen. We went out to bid, we mailed to four groups that were interested. We had a party and nobody came. The of the bid opening and there was no FedEx. We know that one of the guys that worked on the bids and sent it to corporate and it didn't show up. We have to go out again for re-bid. Let's do the motions all together since we also have within that same item is to go out to bid for liquid polymer and vehicle services. Those things will be held in abeyance or in accordance to the shared services. The City doesn't really use polymer but we may start with the vehicles but at least we have it there if we need to go out. We also do the same for hypochlorite towards the end of the year so we will hold that aside also. One thing during the cost sharing meetings there may be some union issues that come up with their repair facilities. They are ok to repair public works trucks but they can't repair electrical trucks or something like that. This is a growing process and if we hit a bump where we don't quite have that worked out we will have the vehicle services contract in our pocket or the authorization to go out to bid.

It was moved by Silva and seconded by Villar to authorize the Executive Director to advertise for bids for the co-gen. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

It was moved by Silva and seconded by Villar to authorize the Executive Director to go out to bid for liquid polymer and vehicle services. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

Committee Reports:

Engineering/Plant

Dennis stated that the farm is just starting to get going. We started this week as per the shared service we are planting 15,000 eastern white cedars out here. That is also going into Earth Day and I'll try to throw that in when we get the pictures of the children. It's a grant and a cost sharing project with the City. They got so much money from DOT when they widened and improved Delsea Drive. They cut trees they have what is called a no net loss. If you cut a large tree down you have to plant so many smaller trees. We are in the midst of doing that right now. We have a fenced in area to keep the deer from eating cedar. It's one of their favorite foods. We are working on the bob white project. The farm has been sludging different fields. Everything is late this year. It was such a cold winter.

Steve Errickson asked if the fields were sloppy and Dennis replied yes. Some of our fields drain better than others, some are sandier. Fields on the east side of Jesse Bridge Road are sandier than the ones on the west.

Budget/Finance:

Tom Merighi reported that the arbitrage number came in as a negative and is a good thing. That was calculated as a negative \$706,927 and we will have a full report next meeting.

Human Resources

Dennis stated that several things have happened. Two guys from the farm came over to the plant; we needed two truck drivers with Class A CDL's. They have been at the farm for about the last month. We had a new clerical person, actually a great group of people, about 10 or 12 that we actually sat down and interviewed. We have a new person, Katherine, who will be starting on Monday and we have an operator that has an S3 license coming from Atlantic County Utility Authority as a shift manager. That will take place on the 21st.

Public Relations

Dennis stated that what we did tonight we will turn it into a story for Earth Day; we will talk about the cedars. We are trying to get a better handle on time. Field and Stream is coming to South Jersey this Saturday. Our facility is supposed to be one of their stops as we talk about what we are doing with the National Wild Turkey Federation, Ducks Unlimited, Fish and Game and the Quail project trying to establish habit. We are actually getting funding and grants from several of those organizations to plant the right kind of shrubbery that helps give the bob white projection. A dog wood is not strong enough so hawks won't sit on the branches because they are too weak to support a hawk. We will take down some of the dead trees so the hawks won't use them as perches. The idea is to try to protect the bob white and give them a habitat where they have protection. We will wrap all of these things into a story for Earth Day.

Insurance Committee: No Report

Allocations/Administration: No Report

Old Business: None

At 7:06 it was moved by Silva and seconded by Villar that the public be excluded and closed session would commence. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

After the motion at 7:42 p.m. the open meeting of the Landis Sewerage Authority reconvened.

New Business:

Dennis reminded the Commissioners that the WRA Awards Dinner at the Downtown Club in Philadelphia is next week on April 16, 2014.

Adjournment:

At 7:44 p.m. there being no further business to come before the Board, it was moved by Silva and seconded by Villar that the meeting be adjourned. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

THE LANDIS SEWERAGE AUTHORITY

CARLOS VILLAR, Secretary