

THE LANDIS SEWERAGE AUTHORITY  
REGULAR MEETING  
May 5, 2014

Pledge of Allegiance

The regular meeting of the Landis Sewerage Authority was called to order by acting Chairman, Solicitor A. Steven Fabietti at 6:00 p.m.

The following members were present at roll call: Reuben, Merighi, Villar, Errickson and Silva.

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

Acting Chairman A. Steven Fabietti 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, P.E., P.P.	Executive Director/Chief Engineer
Robert A., Schwarz	Field Engineer
A. Steven Fabietti	Solicitor
Carol A. Ricci	Executive Secretary
Nancy Lagerholm	Secretary

Acting Chairman Fabietti stated that we have before us a preliminary matter which is a nomination for a change in the slate of officers of the Commissioner's Board. The nomination is to have Jose Silva, Jr. serve as Chairman and G. Steven Errickson serve as Vice-Chairman. Acting Chairman Fabietti asked if there were any other nominations at this time. There were none.

The Solicitor, as acting Chairman stated that the other acting officer positions are currently in place at this time are as follows:

Carlos Villar.....	Secretary
Thomas J. Merighi.....	Treasurer
Joseph J. Reuben.....	Assistant Secretary/Treasurer

The Solicitor asked if there are other nominations. There being no further nominations, the Solicitor announced that he would entertain a motion that nominations be closed.

It was moved by Errickson and seconded by Villar that the nominations be closed and the slate of officers be elected. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

The Solicitor, acting as Chairman asked for a motion to elect the newly stated slate of officers:

Jose Silva, Jr.	Chairman
G. Steven Errickson	Vice-Chairman
Carlos Villar	Secretary
Thomas J. Merighi, Jr.	Treasurer
Joseph J. Reuben	Assistant Secretary
Joseph J. Reuben	Assistant Treasurer

It was moved by Villar and seconded by Reuben to elect the newly stated slate of officers. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

At this point in the meeting Acting Chairman Fabietti turned the meeting over to Chairman Jose Silva, Jr.

It was moved by Errickson and seconded by Villar that the reading of the minutes of the regular meeting held on April 21, 2014 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

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

A 25 year service award was presented to Shift Manager Kyle Fullenwider.

Resolutions:

It was moved by Reuben and seconded by Villar that Resolution No. 2014-55, “A Resolution confirming the appointing of the Chairman and Vice-Chairman...” be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-56, “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.....\$59,789.17”, be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-57, “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...\$250,655.23...”, be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-58, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$396,538.77 to P & A Construction for Estimate No. 2 for the Burns Avenue Sanitary Sewer Extension in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

Reports:

Executive Director

Dennis Palmer congratulated the new Chairman and we look forward to the rest of the year. Also, Dennis stated that he would like to welcome Nancy Lagerholm, she will be Carol’s backup while she is on vacation.

Dennis reported that the cedar trees have all been planted and the number is somewhere around 15,000. In your package there was an e-mail from NJDEP Forestry that they were really impressed with what we were doing. They feel that we need more water but we are doing well keeping the trees irrigated.

We also had a tour last week with two people from the City Hall, Diane Amico that works for the Electric Utility but she is the Chair of the Environmental Commission and Denise Monaco that does a lot as the assistant business administrator with grants and this project is from a grant. They came out to see the project, it’s all fenced in and we have irrigation and we are pumping water to keep them growing. The first two months or so are pretty critical.

Dennis stated that he had a meeting with the Cumberland County Improvement Authority on a couple of issues. One is for future financing as we look forward to do either some temporary financing and then permanent financing for some of the expansions regarding the upgrades we discussed for our treatment plant and for the collection system. It was also to talk with Jerry Velasquez who has been the Executive Director for one year now.

There was also in your package a letter I wrote to EPA. They are looking to install a compressed natural gas fueling system on the property. They want to be able to fuel their generators, look at fueling vehicles. A landfill is the most likely spot for this. You already have hundreds of heavy trucks coming in every day and hundreds leaving and the idea would be for the future of our vehicles as well. They are looking to put the station on Sherman Avenue where South Jersey Gas would like it. There is truck access on and off of 55 as well. The land we have has a deed restriction by EPA. We had to get a waiver on

that when we did the solar panels and as I explained to the person at EPA, it is not dissimilar from when we worked with the City. It was another public body that we dealt with on a lease agreement for some sort of environmental benefit. Compressed natural gas is cleaner than diesel fuel, cleaner on emissions and it is domestic produced fuel and better for our economy too because it's cheaper than diesel fuel. The EPA was very receptive to the idea and we will go from there.

Rowan University came through for a tour with about 18 students. We received a thank you note from the County Fire Rescue folks. They did a couple of confined space trainings. Bridgeton, the County and Vineland came down and used our tower for the drills and they also did horizontal rescue going into one of our tanks.

We have new ID cards that come from the State Police Office of Emergency Management so our employees can respond to issues.

#### Field Engineer

Bob Schwarz reported that the Contractor is working on cementing manholes and forming channels in preparation for air testing of the lines with regard to the Burns Avenue Sewer Extension. Also mandreling of all gravity sewer lines is to be completed. Core testing for base paving is scheduled for Wednesday, May 7, 2014.

The sinkhole on Palermo is scheduled to be repairs on Tuesday, May 6, 2014.

Bob also stated that he is preparing plans and specifications for the Gallagher Drive/N. Mill Road intersection. Approximately 40 feet of pipe must be replaced. However the job is 14 feet deep plus it is wet and there are sandy soils present.

#### Solicitor:

Solicitor Fabietti reported that he has been working with Dennis with monitoring the State's activity on the Authority's State discharge permit fee which initial indications, as Dennis reported in prior meetings, will be going up substantially if the State's initial calculations hold. Dennis has put some commentary in to DEP and we are waiting to see what, if any reaction comes out of that on behalf of the Authority and others that are potentially in the same situation. There is a potential process we will have to go through if we want to challenge that.

Next week we are scheduling a closed session to report to you in detail regarding an insured personnel matter that is ongoing and Todd Pinkstone of Fox Rothchild has been appointed by the insurance carrier to defend the Authority will be here to with me to present further detail on that issue.

Steve Fabietti also stated that the Authority has been named as an unsecured creditor in a bankruptcy case that is ongoing. The Authority purchases electricity through a third party

provider in certain instances. Dennis stated that it's a little different. If we drop power at certain times on the grid we get paid for that and the company that provided those payments is in bankruptcy. Steve Fabietti said they listed the Authority at about \$31,000 so we are looking into the correctness of that amount and we have filed Proof of Claim. Jose Silva asked if it was Chapter 7 and Steve replied it was 11.

Chairman: No Report

Issues and Correspondence:

Dennis stated that we have completed pipeline repairs in other parts of town, this one is not an emergency, we know about it and we can plan for it rather than declare it an emergency, I want to actually go out to bid with a prepared set of specifications and plans as we could have an issue with our bidding laws and auditor. This is a motion to advertise for bids while at the same time we are starting to work on design for the bid documents.

It was moved by Errickson and seconded by Reuben that a motion be made authorizing the Executive Director to advertise for bids to repair North Mill Road pipeline. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted "yes".

Committee Reports:

Engineering/Plant

Dennis reported that a previous chairman talked to Steve on an issue we have with a well go dry at the farm. We went out for bids, we awarded the contract to the bidder. He came out and dug his pilot hole and doesn't think, since it's one of the higher spots on the farm, we are going to get the gallons and amount of pressure if we put it in as deep as we originally specked it at. He says that we need to go down considerably more, around 80 feet beyond that. We had a meeting last week. We had the drill rig out here, get the work done on it. There would be a change order, the change order would be more than 20% of the contract. We have to go through the process, have the Board take action, and put it in the newspaper. It has to be sent to DCA and amended to the budget. Even with his cost increase, he's still less than the second lowest bidder. Even though it's going to be a 40-50% increase on his contract. With that said, we will have a well that's deep enough. Generally the idea is get more screen area so you can get more water flowing into the well so we can get the thousand gallons a minute we need to run one of those big irrigation systems. That will be up for action at the next meeting.

Budget/Finance:

We will get the financials at the next meeting. Bills will soon be printed for June and going out. This is one of our larger billings as well as December. I am also looking at as we pursue the Shared Service Agreement with the City, that the process of getting those who owe us more than a \$1000 residential or \$5000 commercial to shut the water off for them.

Human Resources:

Dennis stated that we lost one employee from the farm. He is off of our records as far as healthcare and those things. We are in the process of interviewing and looking back at some of the guys that applied previously. Dan told me he found a very good guy today and I am waiting to see his resume.

Public Relations

Dennis stated that the Earth Day Poster Contest photo was in the paper for Earth Day. It was after our last meeting.

Tomorrow there is a City Council workshop meeting. If you remember it is almost a month since we signed the Shared Services Agreement and passed the Resolution. I understand that while it has been transmitted to the City Clerk, it has not gone from Administration to City Council. Dennis stated that he will be attending the workshop meeting at 5:30 and there may be a newspaper article that will run some time thereafter.

Thomas Merighi stated that we do not have a signed agreement. Dennis replied that apparently the Administration has not passed it onto Council. The question will be why haven't they gotten it since it will be a month. It is a contradiction. Council asked to form the Committee in the first place in a 5-0 vote. Three meetings people were invited to come and not all came.

Insurance Committee:

Carol Ricci reported that the incumbent, American Alternative Insurance is looking good for the property and casualty renewal with a 4% increase. Selective and Travelers Insurance have denied the quote saying there is not enough premium for the exposure. Travelers also does not insure the pipeline and that would be a problem since the Authority has 150 to 160 miles of pipeline. We are also waiting for quotes from Philadelphia Insurance Co., National Insurance Fund and Great American Insurance. They have not responded yet. We have been approached by a South Jersey JIF which requires a three year commitment for all policies meaning that we would have to cancel NJM for worker's comp. NJM has really been good for us with substantial discounts for the past two years. Another JIF indicated that they were interested, however there is a \$1000 fee just for filling out the application and no guarantee that they will take us in.

Carol also reported that the Risk Managers from Glatfelter's, who work for American Alternative, did an appraisal of the Authorities tangible assets. It was a 70 page report with some startling replacements for the denitrification tanks in the plant and they went from \$11.5M to \$19.5M to replace all three if we had a major catastrophe. The plant is 30 years old so those replacement costs are not totally out of line.

Willis, our brokers, have suggested that we quote two ways: 90% and 100% of the total replacement cost. This would mean some savings if there were a catastrophic event and if we were insured at 90%, the Authority would have to come up with the remainder of the replacement cost. If we insured at 100% it would mean a \$10,000 premium increase over the 4% and would be on the property only.

The Public Officials Liability premium looks constant and Pollution Liability is on a three year term and that is not due for renewal until 2016.

Allocations/Administration: None

Tom Merighi asked, regarding the well at the farm, who determined that we needed a well that was 100 feet deep. Dennis stated that the other well was 100 feet deep as well as all of the other wells. What he believes is happening is when we put the wells in that was virgin ground. Nobody was pumping or farming. The area was previously woods. His belief is that the groundwater has been lowered as we've run all of the different wells, the landfill wasn't there. I'm not sure if they are pumping water. He believes that if we went in at the same elevation we'd be sucking air and sand like the well that failed. He doesn't want to be on the hook if we put something in. He'd rather see it go deeper with more stainless steel screen. You put gravel around the well, make it deeper so you know you are going to get the water to run the farm.

Tom Merighi stated that it was not determinable until someone ran the test. Dennis stated that he ran the pilot test and he doesn't believe it will work. Even with the extra money, it was so low he will still be \$4,000 to \$5,000 lower than the other bidder. It gives you a little bit of a comfort level. He stated that he feels that the other bidders would have been in the same position. They would not have been able to produce enough water to irrigate the farm, they would have been coming back to make it deeper too.

Steve Errickson stated that he just recently learned that the Cohansey and the Maurice River aquifer is getting lower all the time. There is economic development in Gloucester, Camden, Burlington County and it is drawing on our aquifer and it's starting to get lower and lower.

Dennis stated that Glassboro, Clayton and Pitman and those areas are at the headwaters and they are pulling water out at the top end which has brought everything down here lower. He feels that it's better to do it right and do it one time so it won't fail and you have to come back.

Old Business: None

New Business:

Dennis reminded everyone that we have the Gala for the Chamber coming up next month.

Adjournment:

At 6:28 p.m. there being no further business to come before the Board, it was moved by Errickson and seconded by Merighi that the meeting be adjourned. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

THE LANDIS SEWERAGE AUTHORITY

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CARLOS VILLAR, Secretary