

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
October 20, 2014

Pledge of Allegiance.

Chairman Silva stated that the tape recorder for the meeting may not be working and that Secretary Carol Ricci will be taking notes throughout the meeting.

The regular meeting of the Landis Sewerage Authority was called to order by Chairman Silva at 6:03 p.m. The following members were present at roll call: Reuben, Merighi, Villar, Errickson and Silva were present.

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

Chairman Silva 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 Errickson and seconded by Villar that the reading of the minutes of the regular meeting held on October 6, 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".

It was moved by Errickson and seconded by Villar that the reading of the minutes of the closed meeting held on October 6, 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.

Resolutions:

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-131, "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....\$75,026.18”, be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-132, “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....\$386,592.06”, be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

Dennis stated that prior to the passing of Resolution No. 2014-133, if there is any discussion, Tom Post is here to answer questions and Jose, Tom Merighi and Tom Post were at the finance committee meeting. We went through a lot of items on the budget. The budget goes up 1.6% and that’s conservative on income being a little lower and expenses being a little higher than expected and that is generally how we try to budget by being on the conservative side so we’re not caught flat. We also talked about future financing at that meeting too. There is money in there for capital; we also have a 5 year capital plan laid out that is actually the bigger number we will be talking about in 3 years.

Jose Silva asked if anyone had questions or comments. Tom Post had one comment, that as you saw the State budget this year is voluminous. A big thank you to the staff and our new employee Kathy who did the input on Excel. Jose Silva stated that it took a lot of office man hours to complete.

It was moved by Errickson and seconded by Villar that Resolution No. 2014-133, “ A Resolution of the Landis Sewerage Authority adopting the Preliminary Budget Resolution of the Landis Sewerage Authority for the fiscal year period January 1, 2015 to December 31m 2015...” be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-134, “A Resolution of the Landis Sewerage Authority renewing the existing Cash Management Plan and its Amendments...” be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-135, “A Resolution of the Landis Sewerage Authority authorizing a contract for the supply and delivery of 3” calcium hypochlorite tablets...” be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-136, “A Resolution of the Landis Sewerage Authority authorizing an NJDEP Treatment Works Approval to extend sewer lines for the Cumberland County Technical School...” be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-137 “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$3,885.80 to GHD, Inc. for professional engineering services for WWTP Rerate from 7/21/2014 through 9/21/2014 in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Villar that Resolution No. 2014-138, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$6,720.00 to Final Touch Paving, LLC for parking lot paving for Vertol as part of the Burns Avenue 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”.

It was moved by Errickson and seconded by Villar that Resolution No. 2014-139, “A Resolution of the Landis Sewerage Authority accepting a labor union contract for the period January 1, 2014 through December 31, 2017...” be adopted. Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Villar that Resolution No. 2014-140, “A Resolution of the Landis Sewerage Authority authorizing retroactive pay for Management and Administrative personnel...” be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

Executive Director

Dennis Palmer reported that the receiving station’s concrete vault has been delivered and installed and the reinforcement steel has been put in. The interior concrete walls have been sand blasted and are ready to have sealer and epoxy applied. The rebar is also inside and the pumps were installed. CCIA lent the Authority a large excavator with a huge bucket and a giant dump truck which made the job go really fast. We had to pay for trailer to get it over here but otherwise they gave it to us for the price of the fuel in the tank and the operator they sent over here. We also sent them a letter thanking them for the equipment.

We had a progress meeting today with the Department of Agriculture on the receiving station. We received our first check from the State for reimbursement of costs in the amount of \$143,000 and change for monies that were expended for pumps and other things that are going into that station. We will have another one in the future for equipment as well as for reimbursement on employee time. We are also working on getting customers to come in. It was a good meeting and we also went out to the field to look at that too.

We took action tonight and the Finance Committee had met and Tom did a great job pulling the budget together as well as the supervisors. We had a Budget and Finance Committee meeting. We also adopted again tonight the cash management plan.

With respect to checks and I will pass this around, if you look at the blue ones, we had three checks that were fraudulently drawn on the Authority. Someone manufactured our checks with the account number, Sun Bank, the address. Someone reproduced these on a copier of some sort. Those blue checks that were signed say The Landis Sewerage Authority while the fakes say Landis Sewage Authority.

Tom Post stated that gentlemen called him from South Carolina. He sold a personal item on Craig's list for \$250.00. This fictitious fraudster named RobinThompson sent him a check for \$1400. The scam is the guy in South Carolina called him and told him you sent me too much. The fraudster said we made a mistake in the office, send me back the difference. By the time the check goes through the banking process he has his money. Tom stated that he has been in touch with the bank, signed Affidavits for the checks and the Authority did not lose a penny. Their fraud unit is taking over.

Dennis stated the guy somehow produced checks with an account number that we have, but it's not an account that is normally used and it has been closed and that is the paper work you are signing tonight.

Steve Errickson asked how they would catch this guy and Tom reported that they did everything with text messaging so there is an electronic trail. The man in South Carolina said he went to his police department and his bank is stonewalling him. The problem is he cashed the check against his own account and he did not deposit it.

Dennis stated that you will notice they are all signed by Joan Crawford.

Dennis reported that the labor agreements are approved and the retro for management as well.

On the rerate resolution No. 137, DEP actually wants to come down and look at the facility so we gave them three dates to come down.

Dennis stated that he, the Superintendent and Steve joined us as well, and we went to look at an operation for duckweed. This gentleman grows six different varieties. One is from Scandinavia so it grows well in cold weather. He has a fully operational model. It runs a six cylinder engine and a generator. He grows the duckweed in the greenhouses, partially dries it out, puts it into a pump that augers it into a vessel that is being heated and fired. It dries the duckweed as it goes up the tube, creates a gas that is flammable and its charcoal when it is done. The gas is collected and compressed into propane like tank and that's what his engine runs on. It's flammable, if you open the top of the pipe cock and lit it, it burns and the char that's left over gets fed in with a coal auger and that becomes the heat.

I am looking for more and more ways to get off of the grid so that we are more self-reliant when a Sandy comes along or the derecho storm. It's green energy and keep the Authority arm's length. The process is to do it on a power purchase agreement so there is

not a capital dollar out of the Authority's pocket other than an engineer to help look at the specs and make sure it's good. The electricity costs less than what we pay the City and also if there is a power problem we're right here.

Lastly, there is a letter in your packet from Keith Davis from our last meeting.

Field Engineer

Bob Schwarz reported that paving continues to be performed on Clover Avenue and McMahon Drive. Brookfield Street between Dante and Hance Bridge will be done this week.

Dandelion Plaza is planning on installing sewer on Wheat Road between Delsea Drive and West Avenue this week.

Marcacci Meats on Oak and Delsea is planning on installing sewer in the next several weeks.

Bob also reported that LSA will be responding to T & W Construction regarding the project at Mill and Gallagher and we are continuing to close out the Burns Avenue Sewer Extension project.

Solicitor:

Steve Fabietti stated that he accompanied Dennis to the duckweed project and stated that we are working on an RFP for alternative energies so we can see who and what is going on in this area.

Steve also reported that we are working on the completion of the issue and Mill Road and Gallagher Drive as well as completing the Labor Union agreement.

Chairman: No Report

Issues and Correspondence:

Dennis reported that in reference to the receiving station, we need to establish rates so a public hearing will be in order. We will give public notice and we would like the schedule the hearing at the November 17th meeting. We will need a rate structure for this project.

It was moved by Errickson and seconded by Villar that public notice and a public hearing be schedule to establish a rate structure for the receiving station and its customers. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted "yes".

Dennis also stated that in the Commissioner's packets was an article concerning private over public ownership of municipal water and sewer authorities. This editorial was in the

press and there have been resolutions against this as it shortens disclosure. Also the rate payers will be paying twice, to build the authorities and to purchase them. I would like to ask the Chairman to sign the letter to editor against this new bill which is being fast tracked. Steve is working on a resolution; the AEA is also working on this in that cost sharing and shared services is a much better way to go.

Steve Errickson stated that privatization is strictly for making money for the owners and investors and at authorities we try to operate in the black and serve the public and give a really good price on what we do. This whole thing that I am reading about in the editorial, it's pretty obvious to me that there is a rate in the wood pile. They are passing this because there is something that they want. We got a call from American Water Company and they did not call because someone wrote something in the paper, they have a vested interest in this. They are in the business of making money and they will do it at the rate payer's expense.

Tom Merighi asked if it was researched that there was a change in water quality when it was privatized. Steve Errickson stated that they did not see that and now that it was brought up Steve stated that he would look into it.

It was moved by Errickson and seconded by Villar, that the chairman sign a letter to the editor to be published against this new bill. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted "yes".

Committee Reports:

Engineering/Plant

We continue to work with our guys with a really great team working on the receiving station. We reviewed the design and some other parts or submittals. This project is moving along and it will be a nice income center for the Authority in the future.

Budget/Finance

Thomas Merighi reported that we did have a finance committee meeting last week and it was interesting and informative. The staff did a great job preparing the budget. As far as the financials for the month, income is approximately \$687,977.00 or 9.56% over budget. Expenses are approximately \$203,159.00 or 2.82% under budget. Accounts receivables decreased approximately \$285,516.00. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Dennis stated that it will be drawn down by retro over the next couple of weeks.

Human Resources

Dennis reported that we are losing a great guy over at the farm. He is the foreman gave his resignation letter on Thursday of last week. He is moving on to a job that pays about \$5 an hour more and we wished him well.

We are in the process of posting the job and it will print in the newspaper. Chairman Silva asked what kind of position it was and Dennis stated it was the foreman at the farm. Someone has to know farming, machinery, planting and scheduling people.

Public Relations:

No report but Dennis stated he wants to work on a story in both the press and the local cable as well on the receiving station.

Insurance Committee: No Report

Allocations/Administration

Dennis stated that there is commercial interest but nothing on homes.

Old Business: None

New Business: Dennis stated that as far as AEA goes, those going to the conference must choose the track that they will be attending.

Tom Merighi stated that he knows that the Authority tries to deal with local businesses whenever they can, but he noticed that one of the checks was for a crane company from out of town.

Dennis stated that we checked with Gartons and there was an insurance issue. They would not guarantee lifting the vault at the site and transportation and placing it at the Authority. The vault cost \$35,000 and we didn't want to hear any uh OH's. The company we used had the insurance.

Adjournment:

At 6:30 p.m. there being no further business to come before the Board, it was moved by Errickson and seconded by Villar that the meeting be adjourned. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted "yes".

THE LANDIS SEWERAGE AUTHORITY

CARLOS VILLAR, Secretary