

THE LANDIS SEWERAGE AUTHORITY  
REGULAR MEETING  
September 15, 2014

Pledge of Allegiance.

The regular meeting of the Landis Sewerage Authority was called to order by Chairman Silva at 6:00 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
Ryder James	Shift Manager

It was moved by Errickson and seconded by Reuben that the reading of the minutes of the regular meeting held on September 2, 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".

A 25 Year Service Award was presented to Ryder James

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. 2014-113, "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.....\$64,029.41", be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted "yes".

It was moved by Errickson and seconded by Villar that Resolution No. 2014-114, "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...\$254,900.94”, 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- 115, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$8,833.12 to Garrison Enterprise for emergency repairs of 18” clay sewer main, 7’ deep at S. West Avenue and Cherry Street and emergency repairs of a 4” sewer lateral, 9’ deep at 406 W. Walnut Road 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. 2014-116, “A Resolution of the Landis Sewerage Authority authorizing correction on credits, charge-offs, refunds and cancellation of accounts in the amount of \$425.90...” be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-117, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$5,550.00 to J. Souders & Son Excavating to supply labor, equipment, material, permits and traffic control for temporary restoration to repair a lateral at 1358 Greenwood Drive and to repair an 8” main at 816-817 Quince Street 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 Reuben that Resolution No. 2014-118, “A resolution of the Landis Sewerage Authority authorizing a contract for the supply and delivery of Sodium Hypochlorite...” be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-119, “A Resolution of the Landis Sewerage Authority allocating sewerage capacity for commercial classification...” be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-120, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$125,399.39 to P & A Construction 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”.

Executive Director

Dennis Palmer reported that today we had a meeting with the Cumberland County Improvement Authority. They sent a representative over and we will be switching to them on October 1<sup>st</sup> to supply the dumpsters, containers and hauling the trash, grit, rags and other things from this facility and the farm. It was a good meeting and they have a lot more flexibility. We will have separate dumpsters for single stream recyclables such as bottles, cans plastics that have the right triangle on them as well as cardboard and office paper. We have been paying \$50 a month for that service and now we will be getting them for free. They have a clean communities truck. We tend to be a target of dumping down here between tires, TV's and other things on both Elm and Mill Roads. All we have to do is call them and they will send a clean communities truck out. We have a large stockpile of tires here and we are going to try to get rid of them. They are not tires that we generated here. If we buy them they take the old ones. These are tires that people dumped on our property and on our easements and we have some fairly significant easements in some areas especially along Parvin and Tarklin branches.

We received our response from DEP on our recalculation request on the NJPDES permit fee and we will talk more about that under issues and correspondence. They were not at all responsive. We did get the final permit that takes us to the 10.2 million gallons. We have the final permit now. We have one more construction permit we are going to be dropping off next week and once that is done we will be officially at 10.2 million gallons and that gives us capacity to 2035 or 2040 or somewhere in that neighborhood.

We usually go to the Fall AEA conference for the Authorities. At this point they don't know where it is going to be because it is normally at the Taj and its closing the 13<sup>th</sup> and they are scrambling for a place to stay. This is to be announced at some later date.

Dennis also stated that we had a meeting that came out disappointing on the construction of the sewer line on North Mill Road. It flows and functions, but not as intended and not as it should. We had a meeting with the contractor and we talked about several things and he has not gotten back to us. That is still outstanding. We also have not paid anything on that bill. It is very tough conditions up there, very wet and sloppy. The manholes as we learned in the 70's were not constructed as a normal workman like job. They basically poured a concrete mud mat, set the manhole with no bottom on that so when we went to tie in there was no bottom to the manhole. By the time they got the core machine to tie it in they came in high so the flow comes in, comes up and then goes out. It does not flow properly so we still have to work that out. It may be an item we throw into the bond in a couple of years. We will probably want to meet with the finance committee sometime over the next two months to start looking at future construction projects and look at how we proceed to go to bonding and have David Kotok involved in it. Do we look at temporary bonding during construction design, engineering and permit fees and construction and then go to permanent financing after that. We don't want to ship saw our customers with a higher rate. We want to work out a financing plan.

Steve Errickson asked Dennis to make the arrangement with CCIA clearer. Dennis stated that they bring the dumpsters here. Our normal contractor supplies all of our dumpsters and he then comes in with a truck. There is schedule, some are weekly, some are twice a

month and some are monthly and they either take about the 20 yarders and we pay a tipping fee. CCIA is providing all of the dumpsters, they will provide the trucks and the manpower to come and pick everything up and take it to the landfill. The tipping fee is the same regardless of who ever hauls it. They will also provide us a new dumpster for a single stream recycling which we are currently paying for. They will provide it for free. They provide all of those services for an annual fee and that fee is several thousand dollars less. The last time we bid it was two years ago. They beat the price from two years ago. They are very flexible in helping us on a lot of other things. We signed a shared services agreement with them and they probably get points for shared services the same as we do with government agencies in dealing with the state and the budget. They also offered, when we have a really serious sewer back up, our contractor goes in and cuts everything out, sheet rock, rugs and brings it here to throw in the dumpsters. They will at no charge bring a dumpster to the site. It has to be a big enough job. It's a nice service to us and our customers. They will also help us out on the dumping that we have. They have signs and if it gets bad enough they will put out surveillance cameras. The staff attended the meeting also. No electronics can go in the dumpsters. They are the biggest no-no for trash. Trash men do not pick up TV's anymore. You have to take it to e-waste. Sometimes a city's public works yard will take it there. They will come and pick it up. We did very well here and we saved money.

#### Field Engineer

Bob Schwarz reported that paving was performed on Magnolia, McMahon and Clover on the main sewer line trench as a result of the collapse that occurred on October 30, 2014.

Bob also stated that the Burns Avenue Sewer Project is complete with the exception of a few items and a final walk through letter has been sent to the contractor advising them of the issues.

Bob reported that he will be attending a pre-construction meeting on Thursday for a project near Melrose Street and Chestnut Avenue.

#### Solicitor:

Steven Fabietti stated that last week we had some correspondence come in that confirmed the Authority is going to get paid \$34,000 on the North American Power Partners bankruptcy which I reported on in the past. They sent the correspondence, I don't know if the check actually was sent. We were told the check is in the mail. That worked out well and the company that bought the assets at a bankruptcy will continue the arrangement that was in place.

Steve reported that he is doing some preparation work on the NJPDES permit fee issue which is, depending on the outcome of our later discussion, we might have more activity there.

Chairman: No Report

Issues and Correspondence:

Dennis Palmer reported that he and Steve worked on a very detailed letter with a lot of key points and a lot of things identified would raise questions about their process and procedures in proposing the permit fee. We got back basically a very generic letter saying we had a public hearing and a lot of things we discussed were covered in the hearing or we addressed in our response to comments. No specificity whatsoever to the items we included in our letter. Their letter also has, if you read the code, finally agency action. I thought it was disingenuous they didn't tell you that it means you have a right generally to a hearing, which is what we want. Final agency actions means their done as far as staff level goes. The next step is an adjudicatory hearing where you file for a hearing and lay out some of the ground how you want the hearing. It's not a court proceeding, although things like hearsay and how you submit evidence is much like court and it's before an administrative law judge. There is a hearing, both parties attend and the judge listens to both sides. It's not mediation but he makes a decision. Steve Fabietti stated it goes back to the department, which in this case is the DEP which has jurisdiction. Dennis stated that the lead of the agency has the right to agree, disagree or remand back to the agency for further action. That's the next step and after that it would be the Appellate Division. There is a 30 day clock running from the date you either receive the letter or it was dated and it's about a week ago. There are several other Authorities that are interested in doing the same thing, at least file for the appeal and then they do a joining of some sort where we all work together against the department. It just comes down to fairness. Others have also experienced significant rate increases. The other aspect too is the Department keeps representing that they are looking for new regulations to clean up some of these inequities that we got hammered with to be adopted sometime next year. Sometimes agencies need a little kick to do those things and try to encourage them to move forward adopting those new regulations. Steve and I had some conversations today that there is a foreman to file for the hearing. There is usually a second form you file which is ask for a stay, and in the case you have permit that has conditions you don't agree with, you ask that those conditions be stayed until the outcome of the hearing. In that case our stay is that we are going to stay for the remaining dollar amount. We paid the uncontested portion of the \$93,000 which was \$19,000. It's a significant amount of money that makes it worth the time to do a little kicking and screaming before we write the check. Pemberton, Atlantic County is interested in it and up in Chatham they are interested in participating in a hearing process and try to do it jointly. It's across the state and these are just the people who want to step up and got hammered the worse.

Tom Merighi asked if the AEA would be a good partner in this. Dennis stated that they are actually trying to facilitate a meeting Wednesday and Dennis is actually presenting at a conference with AEA and several people will be there to talk about this. Some of the questions that Steve asked earlier today, when it says final agency action in a letter, what is your next step? Is it an adjudicatory hearing in front of an administrative law judge or is it to the Appellate Division. It's a low cost process for us to go into compared to the Appellate. AEA sent an e-mail out across the state asking if anyone else wants to join in so we have three or four other people interested as well.

Dennis stated that we are looking for a motion authorizing Steve and I to work on the filing of an appeal requesting an adjudicatory hearing.

It was moved by Villar and seconded by Errickson that the Executive Director and Solicitor file for an appeal for an adjudicatory hearing. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted "yes".

#### Committee Reports:

##### Engineering/Plant

Dennis reported that we had two meetings over the last week and today was our normal twice a month meeting on the receiving station. The first section of the concrete vault was poured and hopefully the second part is formed this week. We had a good discussion today on logistics and how things are going to work and how we are going to proceed. We had an interesting meeting last week when a couple of guys from the Department of Agriculture and also an organization we belong to, and I've been on the Board, it's called the Middle Atlantic Bio solids Association. It's wastewater treatment plants, private industry, those who handle bio solids or sludge, produce it, market it, make pellets, make fertilizer out of it and it goes from New York, parts of New England and down to Maryland and Virginia. Its consulting firms, we use Virginia Tech for research so it's pretty big. We're bringing that group into the meeting too. As part of this process is to do like a research paper and us provide the documentation on how the system worked. The Department of Agriculture and the Department of Energy would like to see if this could be a model that could be reproduced around the country. Could other people put in similar receiving stations market it. It's a pretty big scheme, MABA would also be interested in supporting us with resources that they have to have an independent consultant advise and effectuate write up of this and marketing in two ways. Can we get customers to bring their food processing waste here and can we get farmers who have to reduce their product take it and put it on their fields and use it as a fertilizer in the more rural areas of Cumberland County.

##### Budget/Finance

Thomas Merighi reported that income for the Authority is approximately \$603,041.00 or 9.43% over budget. Expenses are approximately \$137.00 or .002% under budget. Accounts receivables decreased approximately \$314,249.00. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Dennis reported that tax sales notices have gone out and they number 600 and they will move to the tax sale in the beginning of October. Water shut off will be next year and work with the City to get those numbers lower.

##### Human Resources

Dennis reported that our next employee started today. Rob is an electrician and he was in with IBEW. He will be very busy working on the receiving station and other projects as well.

Public Relations:

Dennis reported that around the second week in October we are hoping to do a press release on site at the receiving station. I won't be done but there will be a lot of concrete and pumps there. We are trying to get the Secretary of Agriculture down and maybe the Lieutenant Governor. We will get the folks in Trenton handle that and some local folks too.

Insurance Committee:

Carol Ricci reported that in previous meetings she had mentioned that our numbers from Horizon that would amount to a 2% increase and that turned out to be true which comes to about \$1600 a month. Dennis stated that we're used to 16% or 14%. Carol stated that what actually happened is the rise in premium comes from the Affordable Healthcare Act excise taxes. The big surprise was the prescription renewal. There is no resolution on the agenda this evening because the numbers were received today. We are going to pick up probably \$50,000 in savings next year. The renewal year starts November 1<sup>st</sup>. We're going to move from CVS to Express Scripts who we used in prior years. We self-insure our prescriptions and what has happened is that we will not change one single caveat in our prescription plan. Everything that we have now stays in place with the exception of your ID card will be an Express Scripts card. The premiums will drop about \$4100 a month on this self-funded plan. We had some extraordinary expenses this year that were onetime expenses. Those onetime expenses were pulled out of the total and looked at the cost of drugs pure and without those extraordinary expenses. When HISI took it over to CVS they would not discount the plan and when they went to Express Scripts wanted our business and they are going to discount the plan on the pure numbers and that's where the savings is. HISI has locked in with a past executive from these drug companies and he knows the ins and out of the business and this is what they came up with. Our premium is going from \$30,200 a month to \$26,00 a month. It was quite a surprise and to not have to change a single that we have not with the exception of the ID card.

Carlos Villar stated that Carol reported we used Express Scripts in the past and Carol answered yes. We had re-insurers at one time, but the re-insurers got really cocky when we reached our stop loss and the drugs were getting so expensive. A shot of Humira that you see advertised is over \$2,000. They told us that they would not pay for the drug well then why do we need a re-insurer if you are not going to cover us when we reach the stop loss. We will end up signing the prior authorization anyway for the member. We ended the policies, which were about \$3,500 of total expenses. It was necessary to bring this to the board tonight because the transfer of all of this information from CVS to Express Scripts and there is only a six week period of time to renewal. Carol asked the board if

they would allow her to put this plan in place tomorrow and get it all started. The Resolutions will be on the agenda for the next meeting.

Chairman Silva asked if we needed a motion and Carol stated that would be fine.

It was moved by Villar and seconded by Errickson that a motion to put the Health Insurance and Prescription Drug coverage plans in place without the Resolution until the October 6<sup>th</sup> meeting. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

Dennis stated it’s great to make a motion to save money.

Carol stated that she wanted to speak to the State Healthcare Plan before table the conversation because we always offer the employees two plans so there is a choice. Last year we had an EPO and no one subscribed to it. It was less money for coverage but more restrictions. A lot of people were concerned about getting on the State health plan because if you work 25 years you will have lifetime health benefits but in my estimation it is not sustainable. The State health plan for major medical is \$91,000 a month and our direct access plan with Horizon mid-market, we are at \$77,000 a month. We fall into that little section that we are not a large group or small business so we are in a good place.

Allocations/Administration

Dennis stated that we took action tonight on the commercial application.

Old Business: None

New Business: None

Adjournment:

At 6:34 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

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CARLOS VILLAR, Secretary