

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
September 2, 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.

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| Also present: Dennis W. Palmer | Executive Director/Chief Engineer |
| Robert A. Schwarz | Field Engineer |
| Stephen Barse | Solicitor |
| Carol A. Ricci | Executive Secretary |
| Keith A. Davis, Esq. | Nehman, Perillo & Davis |
| Lee Burke | the Citizens Campaign |

It was moved by Errickson and seconded by Merighi that the reading of the minutes of the regular meeting held on August 18, 2014 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Reuben abstained. Merighi, Villar, Errickson and Silva voted "yes".

The Chairman asked if there were any general public comments or comments on the proposed Resolutions. The reply was yes. The Chairman asked the first speaker in the audience to come forward and to state his first and last name.

Lee Burke stated his name and his address of 4331 Juniper Street in Vineland. I am here to first thank the Board and the City too for the Shared Services Agreement. I appeared before City Council in February urging them to enter into this agreement and work it out among you without an independent study and the costs associated with it. I then appeared before this group to the next month and urged the same cooperation. I am glad to see it has resulted in the shared services agreement which I hope will be a model for other Authorities, Cities throughout the state and beyond perhaps.

Mr. Burke stated that he also appeared before Council about three weeks ago asking them to do two things; approve the shared services agreement that had taken so long to do and

second to revisit the master plan of the City which is in its sixth year and it is supposed to be reviewed every five years. I mention that because two things are related to LSA. As you know we spent a lot of money fighting the developer on the Rudy's Airport property and of course you were dragged into this too. I would like to see that addressed by the Planning Board which apparently hasn't had a whole lot of business lately, but still this is an important issue. I don't know if the Mayor is waiting to make appointments, but I think that is necessary to go forward after the shared services agreement and all of the other things that are coming up now that the Master Plan has dealt with, so it is a plan or path to go forward even though perhaps the current administration doesn't feel ownership. I hope that the same perception isn't here at LSA and that you want to move forward. I know at the same time that the Master Plan was being developed in 2005; there had not been one in twelve years. I also was surprised to learn that Dennis that he had been waiting for his plan to be approved by the DEP for 19 years. So that is the interest I have from the public hereto.

The other thing I wanted to mention was the Citizens Campaign, which I am involved with and you have a brochure and it states that you don't have to be elected to make things happen and I believe that. But the point is people from the public, if they know what's going on, if they make themselves more educated, can offer solutions that may have escaped or just have not caught the attention of people like you. I am still encouraging that as a community advocate. I think I would like to be more of a community activist like I have, participating in this peripheral way of getting this shared services agreement completed. I would like to ask that you post it on your website, the full agreement as well as on the City's and with your permission, I would like to share it with the Citizens Campaign which has a tool kit of model ordinances and other resolutions that have dealt with many issues that the Authority and municipalities have dealt with. I think that you are on the cutting edge of this type of agreement. Authorities in general are being squeezed is one way to put it. But I do think that more public response and information could help all of us to better understand the rules, especially with a shared services agreement. I also think that the priorities for the one part of the agreement that I am interested in is the sidewalk infrastructure, that there be some influencing of this group through the city engineer who will have the final responsibility of setting priorities. I don't want to see the money get lost or buried. I know that set asides to accounting or finance people is something they like. I think they call it an earmark. When there is no plan to have these vital services or infrastructures like sidewalks, trails and other related things provided for in the regular course of business, I think the public loses out. There is a connection to health with this and if you are not familiar with the concept of complete streets, we don't have plans like this policy and a plan to go with it to implement infrastructure and I think the entire community and the county suffers. I am most interested in those connecting schools, park and other recreation areas and with the help of the Health Department, they have applied for over \$900,000 in grants for the Safe Routes to School Federal Program which I believe the \$50,000 could be used as part of matching if necessary or be leveraged any way for future support of infrastructure that is needed throughout the City. They are the comments I want to share and I appreciate the opportunity to be here again. I was thinking of going to the work session of the City and doing the same thing but I don't

know if I can make it over there on time. I would be open to any comments or suggestions you might have and hopefully encourage more people to come up here. You are kind of buried here. Have a sign on Delsea to Elm.

Dennis suggested that Mr. Burke come in April for the Earth Day Poster Contest when all of the chairs are filled with parents and children. It's always a nice meeting. Dennis stated that going back to some of the comments, once we get a final copy that has been signed I have no problems scanning it and putting it on our website. It's a good suggestion. With respect to the actual allotment of where the \$50,000 goes, I believe that it will be totally a councilmatic action. I believe that they will be able to control that and apply it where they need to. They may want to spend it for sidewalks; matches could be another thing as long as its infrastructure or related grant writing for infrastructure is also included in that. Or save it for maybe two years and do a bigger job. It's going to be council rather than the city engineer that will have control. I did some quick calculations and sidewalks run between \$18 and \$21 a foot so \$50,000 could do a half mile of sidewalks. I think a smart coordination between City Council and the School Board is to see if there is a school that has a higher need or even put together a priority list of different locations where sidewalks would be beneficial. Whatever we can do to get kids to school safely or even seniors to use the sidewalks safely.

Mr. Burke stated that he understands there are some service agreements being drawn up between the Council and the School Board on this and in one case, the Wallace School, they are putting in sidewalks that were never put in before. Unfortunately there are a few residents objecting to that, but I hope that gets resolved soon. Of all places not to have sidewalks it seems silly especially when you talk about the safety of the students. I appreciate the comments and I appreciate you listening to me and I will see you next time.

The Board thanked Mr. Burke for his time.

The Chairman asked for a motion to close the public portion of the meeting. It was moved by Errickson and seconded by Villar that the public portion of the meeting be closed. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted "yes".

Resolutions:

It was moved by Errickson and seconded by Merighi that Resolution No. 2014-110, "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.....\$71,280.41", be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted "yes".

It was moved by Reuben and seconded by Errickson that Resolution No. 2014-111, "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...\$461,551.11”, be adopted. Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-112, “A Resolution of the Landis Sewerage Authority authorizing a Shared Services Agreement By and Between the Landis Sewerage Authority and the City of Vineland...” be adopted.

Dennis suggested a discussion on this resolution with Keith Davis.

Mr. Keith Davis introduced himself from the firm of Neman, Perillo and Davis. We have been able to serve as special legal counsel to the Authority on the shared services agreement. Mr. David stated that everyone has received a copy of the document. This process was started last October where we had some initial discussions between the City and the Authority in terms of how we could work together to share services. While I was helpful along with Mr. Tonetta in putting this together, Mr. Palmer was integral to all of the negotiations on this and really helpful in terms of putting meat on the bones so we could come up with an arrangement. Hopefully we will not only serve the ratepayers, but all of the taxpayers in the City of Vineland with government services going forward.

Mr. Davis stated that he wanted to go over a couple of key points in the agreement and if the Authority members have questions. We’ve already talked about the \$50,000 that is going to be dedicated for public safety and transportation improvements. You are allowed under the statute to dedicate up to 5% of your budget to the City. You have done that in the past and this will take a portion of that and dedicate it to that specific purpose. This is not something the City wanted to do but it is something the Authority thought was positive and this is in the agreement. There is some flexibility as to how the funds can be spent as long as it is generally in that area of public safety.

There are a host of items that are going to be shared. That is the intention of this agreement from sanitary sewer planning to natural gas purchasing, street paving, easements and authority easements for mowing of the lawns so that there are not separate crews throughout the City to handle those kinds of things. Also, the purchasing of equipment and vehicles, a lot of these will be done on a case by case basis because we don’t know exactly what is going to be purchased. This Agreement isn’t designed to deal with every situation that is going to come down the line. There might be some sharing of equipment or vehicles in the future. It might be somewhat cumbersome to determine what the true up is going to be for purposes of this agreement. What this agreement provides is the City and the Authority are going to negotiate those things on a case by case basis. There is a board that is established that will oversee the implementation of the shared services agreement. That is comprised by members of this Authority and also from the City. They will meet twice a year to review the progress that has been made out of the shared services agreement and then make suggestions for improvements so that this is not something that is fixed in stone, but we can tweak down the road if we have to in order to deal with some issues that we may not have contemplated from the beginning.

Another big issue that has been sensitive to the Authority is delinquent accounts. This agreement will provide that the City is going to, pursuant to some series of notice requirements, terminate water service if individuals are not paying their sewer accounts to hopefully facilitate better collection efforts by the Authority on delinquent accounts. There are insurance requirements and hold harmless requirements to make sure both entities are properly secured as this shared services agreement is implemented. That is the thrust of this. It is a good document. We had a couple of drafts going back and forth. Mr. Tonetta was a pleasure to deal with in this matter and hopefully the City will be able to finalize the agreement and hopefully the Authority will tonight and you can move forward in implementing the provisions of the agreement. Any questions?

There were none and the Chairman thanked Mr. Davis for his time.

Roll call: Reuben, Merighi, Villar, Errickson and Silva voted “yes”.

Executive Director

Dennis Palmer reported stated that he met with Rick about two weeks ago. I attended the last City Council workshop meeting and had a few discussions and most of the work actually took place in the Council workshop meeting just prior to that. Council took action last week and it was 5-0 which was very good.

The paving on Burns Avenue is done. We met out in the field with the contractor for the water utility because there are areas where they had done work and the trenches overlapped so we are going to work out a reimbursement for costs on that. There was an e-mail on that from Greg Henderson and Bob stated that it was \$897.00. Dennis reported that we were both working in the same area so rather than having two separate contractors come out to pave one trench and then another one; we actually cross each other so we did a shared service before the agreement.

The receiving station continues to make progress. The concrete vault is being fabricated. A number of pieces of equipment have been delivered. We have a progress meeting today and a follow-up meeting next week.

The Treatment Works DEP Construction Permit is part of the plant expansion. Those plans came in today or while I was out but unfortunately the firm's engineer's license is sealed with a Pennsylvania seal we need a New Jersey seal. Another set was being sent this afternoon and we will probably have them in two days. When Jennifer gets back on Thursday, she will be calling to make an appointment to drop the package off.

The final discharge permit increases our capacity from 8.2 to 10.2 and that gives us capacity until around 2040. It ties in because we were talking about the Master Plan and the Wastewater Management Plan and we look forward at least 25 years. We started

some time ago and it takes us out to 2040 in capacity and growth in the City so we won't have the issue of sewer moratoriums.

Field Engineer

Bob Schwarz reported that paving on the Burns Avenue Sewer project was completed on Wednesday, August 27, 2014. Areas of pavement were measured for total quantities on August 28, 2014. The Contractor must still do striping and a couple of miscellaneous items. We have received one connection from a resident as of this date.

The North Mill Road/Gallagher Drive sewer project was started by the contractor on Tuesday, August 26, 2014 and finished today with base asphalt restoration. There are some issues on the project and they are being discussed.

We have reviewed an application for an Inspira medical building to be constructed next to the Shop Rite on West Landis Ave. We are waiting for a response from the applicant.

Thomas Merighi asked, regarding the Burns Avenue sewer extension, only one of those houses connected? Bob stated that the house was on Main Road near Rieck Terrace. We sent applications to everyone, advising them of the procedures to connect to the sewer system with the requirements and of the 30 plus that we sent out, only one participated in that process at this time. We advised them of the fees, the use of a plumber, pumping out their septics. We have regulations that we must abide by to make sure everything is performed and only one person has connected to the system.

Dennis stated that we have lines coming from the main line and there are cleanouts so it's into their front yards.

Tom Merighi asked if they had to pay. If they don't hook up there are no fees? Bob stated that it was foregone by the City to build the power plant and a well therefore, they did not have a say in the process, so in that case they don't have to pay because they did not have any involvement in the overall process of approval or disapproval.

Dennis stated that when the water plant gets on line and the power plant comes on line, it will be much cleaner water they will be flushing. If someone wants to sell their house and I'm sure if I was buying a house, I would want to know if sewer was available. I would make it a condition of sale that you tie me in or there would be money escrowed to pay for the plumber and those costs. There are some businesses out there also like Riggins. Hopefully the outcome of all of this is that something will come out of it. As Bob said we continue to get commercial but no home applications for a long time.

Bob stated that we met with the County Engineer to make sure of their requirements to that we are on the right page with them as far as the performance of the roads on Lincoln Avenue and Main Road. They were satisfied what we were doing was proper.

Tom Merighi asked Dennis if there is something else in his experience that LSA should do to get the word out, not to justify the project. We had Steve Testa here and he gave his presentation on the Audit and every year we recalculate what the connection fee could be and the connection fee based on the state formula could be several hundred dollars more. We did not want to tell them right away, but at some point tell the Burns Avenue folks there could be an increase coming in. If you want to at least buy your permit, even though you don't want to pay your plumber, buy your permit and lock in the price.

Tom Merighi asked how long the permit was good for and Bob stated that it was forever. Dennis stated that the additional costs tend to be more than the connection fee. Dennis stated that if someone wanted to sell a house with FHA loans, if they know sewer is available in the street, before you can get the mortgage, they are going to want to see that connection take place. A buyer would want that as a condition of the sale.

Solicitor: No Report

Chairman: No Report

Issues and Correspondence: None

Committee Reports:

Engineering/Plant

Dennis stated that we continue to move forward on the receiving station to accept manure, fats, oils and grease and we continue to work with different folks, instead of calling it a co-op it's going to be an LLC through the grant that is coming out of the Department of Agriculture and that's the help from marketing and the building of the facility. Also if you need profession advice through brokers on how we feed the digester, they are really looking at this to be a model to be produced at both statewide and countrywide level. Dennis stated to Keith Davis that we received a grant from the Federal Department of Energy to the State Department of Agriculture to put in a receiving station that can handle cow manure, food processor waste and fats, oils and grease. When it goes into the digester we can make more methane and we have an engine that makes electricity and hot water. It's an income source to take in these different products in an environmentally sound manner and there is a huge market for fats, oils and grease from restaurants, etc. If this gets going, we would build a bigger engine to get more electricity and get more off the grids when the next Sandy comes along, we will still have electricity to run parts of the plant. In house we are doing the engineering and continue to work on new permits pertaining to that and finally, we are working with our engineers on the plant re-rate and that package just came in.

Carlos Villar proposed that on Earth Day the kids come up with a better name instead of the Manure Project. Dennis stated that it's a receiving station.

Budget/Finance: No Report

Human Resources

Dennis reported that all new hires have reached their 90 day probation dates and are currently being enrolled in LSA's benefit program.

Public Relations:

Dennis stated that there was a good story in the paper with respect to the cost sharing program in the local section and it was a nice read.

Insurance Committee:

Carol Ricci reported that the major medical and prescription renewal numbers are starting to come in and that the major medical policy, through Horizon BCBSNJ is showing no increase with the exception of a tax imposed by the Affordable Healthcare Act in the amount of approximately \$28,000. Hopefully, we will have the renewal complete for both policies by the first week in October because the renewal date is November 1st.

Allocations/Administration

Dennis stated that there are a couple of commercial applications but nothing with homes.

Old Business: None

Tom Merighi stated that he wanted to commend our past Chairman, our Executive Director and all of the paid staff for working on the Shared Services Agreement. It was a real tough time for the LSA and these individuals and all of us to get through this part with our employees and rate payers. It was really wonderful that we were able to put this to bed tonight at least for the time being.

Dennis stated that it was an absolute team effort with a team of many members.

New Business: None

Adjournment:

At 6:29 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

CARLOS VILLAR, Secretary