

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
April 20, 2015

Pledge of Allegiance.

The regular meeting of the Landis Sewerage Authority was called to order by Chairman Merighi at 6:00 p.m. The following members were present at roll call: Barse, Reuben, Errickson, Villar and Merighi were present.

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

Chairman Merighi 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
	Marianette Arce	Administrative Secretary
	Shelynel Alvarez	Vineland Public Charter School
	Henry Conde	Rossi Intermediate School
	Brooke Larcher	Bishop Schad Regional School
	Giovanni McDaniel	Creative Achievement Academy
	Jake Mello	St. Mary's School
	Dayanara Ramirez Hernandez	Wallace Middle School

It was moved by Barse and seconded by Reuben that the reading of the minutes of the regular meeting held on April 6, 2015 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Barse, Reuben, Villar and Merighi voted "yes". Errickson abstained.

Dennis stated that Bob Schwarz is celebrating his 40th year with the Authority. Bob is our Field Engineer and goes out on inspection and construction projects and he also works on design. A 40 year Service Award was presented to Robert Schwarz, Field Engineer.

Bob Schwarz stated that he wanted to thank his wife for coming tonight and also the Board and staff because it is a team effort. If you can't work together you are not going to make it. Thanks again for the recognition.

Dennis Palmer stated that we reached out to all of the middle schools in town and we have six winners tonight for the Earth Day Post Contest. This is our 21st year for the contest. Tonight's winners will bring us to 109 students that have won the contest and we have looked at thousands and thousands of posters. Marianette and other staff have the job of going through them and judging them which is the most difficult part. We really appreciate the effort the students made in making the posters and the opportunity to get them to think about the earth, the environment and in our case, the water environment. Wednesday is Earth Day and it is also the 40th anniversary.

The presentation of the 2015 Earth Day Poster Contest Winners to the following students:

Shelynel Alvarez	Vineland Public Charter School
Henry Conde	Rossi Intermediate School
Brook Larcher	Bishop Schad Regional School
Giovanni McDaniel	Creative Achievement Academy
Jake Mello	St. Mary's School
Dayanara Ramirez Hernandez	Wallace Middle 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 Reuben and seconded by Errickson that Resolution No. 2015-47, "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.....\$64,413.28", be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-48, "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....\$299,457.39", be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-49, "A Resolution of the Landis Sewerage Authority authorizing the reduction in tipping fees at the Receiving Station for large volume deliveries..." be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-50, "A Resolution of the Landis Sewerage Authority authorizing correction on credits, charge-offs, refunds and cancellation of accounts in the amount of \$1,094.72..." be adopted. Roll call: Barse, Reuben, Errickson and Villar voted "yes".

It was moved by Errickson and seconded by Rueben that Resolution No. 2015- 51, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$52.50 to GHD Engineering for work on the Air Quality Permit Application from 2/23/15 to 3/22/15 in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-52, “A Resolution of the Landis Sewerage Authority authorizing the Executive Director to perform emergency work on various roads under emergency conditions to Final Touch Contracting in the amount of \$112,209.50 for paving Mill Road and areas on Hancebridge Road to protect the safety, health and welfare of the general public...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Dennis stated that the County had sent us an e-mail saying that Hancebridge had some serious depressions and they were concerned about the traveling public. It was more than what we normally do than just the trench area. So we declared it emergency because they told us it was an emergency.

Chairman Merighi asked when it would be done and Dennis stated that it was finished last week since we got the e-mail last week. We got everything mobilized. These last two winters have been probably the most brutal winters I remember when it comes to impacting trench areas. This project has had occasional settlements, nothing to this degree. This was done 15 years ago around 1999 or 2000 by Lu Mar Contractors. The frost and heat we have been going through is brutal and it has shown up on some of our trenches. This is over and beyond and actually an emergency given the e-mail we got from the County Engineer’s office.

Executive Director

Dennis Palmer reported that the quarterly report is out and has been sent to Mayor and Council. There were a number of items in there, milestones and achievements as well as people responses to our sewer call letters.

Dennis stated he was in DC last week for three days representing the NJ Water Environment Association. It is to deal with Congress and others for funding on projects, funding for the State and the country. I also had a chance to meet with our fellow State representatives to help with revolving loans. There is a key bill working through the legislature that if you are a high income person municipal bonds will no longer be tax deductible. That is the bread and butter for funding infrastructure in our work and Congress is looking to sweep that away for a higher \$250,00 to \$500,000 high income individual and that would be damaging to all public agencies who try to fund infrastructure.

Last week Steve and I worked on NJPDES fees. We got whipsawed for the last couple of years and again this year. We are setting up another appeal for a hearing. I intended the hearing and submitted about a four or five page letter and comments on our permit fees. Going back it was \$19,000 and they whipped us up to \$92,000. We filed comments and asked for recalculations and we asked for a hearing and of course we have not had that. They presented a reform package to make it simpler with more straight forward calculations and in their presentation in September they thought they would have it in place by the end of the year. Under that program we were going to be \$45,000, a little better than \$90,000 but not \$19,000. Every year they recalculate the fee with a whole bunch of different exponents. Your flow is this much and that's how much you are going to pay. They didn't get it done so they still have the old program and this year our fee is \$73,000. They backed off on some of their overhead. I am trying to get the form and it probably supports our arguments on the pension. I gave testimony on that and at the same time they had a hearing on water quality standards.

We have the students in today and I said for the record, this group makes 109 students that we have given the award to in 21 years. Tomorrow the Chamber of Commerce Green Team is coming in for a tour to see the plant and the different things we are doing between the trees, the receiving station, the wind turbine, the co-gen and on Wednesday, we have two things happening. One of our vendors who we buy these black boxes that actually reduce power, they go out to each of their clients and deliver a tree. They are going to drop that off tomorrow morning at the same time Rowan University's Environmental Science class is coming for a tour on Earth Day and we have the dinner on Wednesday night. This environmental science class is brought by the same professor every year and it's a nice group to bring out and show them practical things that tie in.

Field Engineer

Bob Schwarz reported that the paving contractor has been busy paving roads where excessive settlement has occurred and the need for immediate repairs was necessary.

A lateral at 1001 New Pear Street had to be fixed on an emergency basis due to the customer had no service. LSA performed most of the work however assistance was needed where the depth was approximately 8 ft.

Specifications and plans prepared and sent out to six local contractors for the East Oak Road project. Proposals are due May 7, 2015 and will be read aloud.

Bob stated that he attended a meeting last week for the County Road Opening Permits. Fees for opening permits will go from \$1.00 to 2% of contract costs along with additional requirements. The ordinance goes into effect today.

Dennis stated that he sent a letter over to the County Engineer objecting to it, we didn't get a lot of public notice until it was done and frankly they should perhaps differentiate between the gas company that is for profit and public agencies that are not for profit and we're not going anywhere. On Hancebridge Road we were good neighbors and came

back and fixed the road. At some point do we say you inspected it, we paid you all of these fees and it's yours now and that's a future discussion perhaps.

Bob stated that it's an additional costs to projects that we didn't have before.

Bob also said he wanted to thank the Board and Dennis for the award and recognition. I appreciate it and want to continue to move on.

Solicitor:

Steven Fabietti reported that one item was mentioned by Dennis and that is the NJPDES permit fee issues which we have been working on with him. Just as a reminder on something Dennis said, the Authority has only paid the \$19,000 portion of the disputed fee that was imposed for 2014 and we are recommending that until there is some further resolution we continue to hold the balance in abeyance until we hear from DEP. That is to clarify what you have paid so far. Dennis said to expect a footnote in the audit when it comes out.

Chairman Merighi asked if we get a bill once a month and Dennis stated that the bill comes once a year for the entire fee. Perry Barse asked what we budgeted for that item and Dennis stated that we budgeted \$19,000 in last year's budget because that is what we had the year before. Through the process you can pay the portion you feel is substantiated and you can hold the rest. We have filed the hearing request and we paid what we felt was substantiated. This year because we went to the public hearing they gave us a PowerPoint, a chart and everything else and said it was \$45,000 so we budgeted \$45,000 as the real number and the number they came out with was \$73,000. My position as we go through this year is that we went up there and kept ourselves whole by putting our comments on the record and we will do the same thing when the bill comes out and we will ask for the recalculation, file an appeal and do the same thing. My suggestion would be to pay the \$45,000 because in good faith we budgeted on their presentation. We'll pay the \$45,000 and argue the rest.

Steve Fabietti stated that we did not receive any demand for further payment. They haven't given up on the balance but they have not sent in a demand for payment. We have the last document which is our petition for appeal.

Dennis stated that in his comment letter he had a specific sentence that by this comment letter we reaffirm and confirm our hearing request that we submitted last year. Steven Fabietti stated they seem to know there is an issue here and they are trying to figure out a global resolution.

Chairman Merighi asked if they had any interest in interest and penalty and Steve Fabietti stated that was not the case.

Steve Fabietti stated that the second item is that he continues to try to negotiate a settlement with T & W Construction who is a contractor which we reported on. We're not

there yet, we've had some discussions to leave me to think we are close but last few days there have been some other discussions that lead me to think we might be moving further apart. Rather than get into that on the record, if we get to the point where Dennis and I could recommend a settlement, we'll schedule a closed session. No suit has been filed as yet by either party, just discussions right now.

Dennis stated that mediation would be the first step before court or non-binding mediation.

Chairman:

Chairman Merighi stated he had two comments and he wanted to personally thank Bob for 40 years of service. It certainly says a lot about the working conditions here at LSA for an employee to be here for 40 years and I say congratulations and many more.

Also, in reviewing the comments from the sewer back-ups there are some pretty nice remarks in here since we are seeing people when they are not very happy with a sewer backup in their yard or worse. To get nice comments and say that we have good people and timely response is really great. I want to comment Dennis and the entire staff for handling those issues properly.

Issues and Correspondence: Dennis stated that there are none other than what was discussed concerning the emergency work on Hancebridge Road and Mill road.

Committee Reports:

Engineering/Plant

Dennis reported that hopefully we will have a meeting at the end of this month to start talking with our design engineer for the collection system and start pulling more accurate numbers. In the couple years since we first got the report, a few more things have raised their heads and we need to address and deal with them. My plan through both the collection system and the treatment plant is to look out to 2030 or 2040 to have things built in our facility and our system so that we have that capability to handle them. Existing capacity plus future flows as part of what the DEP and the EPA call asset management. We have a very valuable asset under the ground that needs to be maintained and parts above ground obviously. We will be having those meetings over the next 30 days to start to hone in a little better on the numbers as we approach financing later this year.

Budget/Finance

Joe Reuben reported that income is approximately \$144,096 or 5.9% over budget. Expenses are approximately \$74,205 or 3% over budget. Accounts receivables decreased

approximately \$274,160. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Dennis stated that there were several things such as the quarterly payment for health. The payments hits and the budget comes back in line. There are a couple of small one time payments to the City for the Tax Office, a couple thousand dollars to CCIA for household hazardous waste. We help fund an addition one and by doing that hopefully people don't pour things down the drain that shouldn't be there.

Perry Barse asked when that took place and Dennis stated that you will see flyers come out three times and the fourth one is the one we do. You can just take things to the public works garage if you need to and hand it in, oil, paint, and computers.

Dennis stated that Bob and Walter have worked on the plans for the project and when I got back I signed and sealed them so they went out in that form. We won't start working on budget until July or August.

Human Resources

Dennis reported that the accounts receivable clerk's possible will probably be open by the end of the year. We have gone through the resumes and we are starting to do interviews on Thursday and Friday. We will be honest with the folks coming in and we don't know what date we will fill the position but when she gets a commitment on selling her place and she moves will have someone in for maybe a month or so and overlap.

Public Relations:

Dennis stated there will be stories on tonight.

Insurance Committee: No Report

Allocations/Administration: No Report

Old Business: None

New Business: None

Adjournment:

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

THE LANDIS SEWERAGE AUTHORITY

G. STEVEN ERRICKSON, Secretary