

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
January 5, 2015

Pledge of Allegiance.

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

Solicitor A. Steven Fabietti administered the oath of office to Perry D. Barse for the Board of Commissioners for the Landis Sewerage Authority.

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

Vice Chairman Errickson 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

It was moved by Reuben and seconded by Merighi that the reading of the minutes of the regular meeting held on December 15, 2014 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Reuben, Merighi and Errickson voted "yes". Barse abstained.

The Vice-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 Merighi that Resolution No. 2015-1, "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.....\$91,711.11", be adopted. Roll call: Barse, Reuben, Merighi and Errickson voted "yes".

It was moved by and seconded by that Resolution No. 2015-2, "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...\$371,015.38”, be adopted. Roll call: Barse, Reuben, Merighi and Errickson voted “yes”.

It was moved by Reuben and seconded by Merighi that Resolution No. 2015-3, “A Resolution of the Landis Sewerage Authority increasing Capacity...” be adopted Roll call: Barse, Reuben, Merighi and Errickson voted “yes”.

It was moved by Reuben and seconded by Merighi that Resolution No. 2015-4, “A Resolution of the Landis Sewerage authorizing a contract with Harris Computer Systems to provide software support services...” be adopted. Roll call: Barse, Reuben, Merighi and Errickson voted “yes”.

It was moved by Reuben and seconded by Merighi that Resolution No. 2015-5, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$10,350.00 to Accurate Insulation LLC for Mechanical and piping insulation for the Receiving Station in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Merighi and Errickson voted “yes”.

It was moved by Reuben and seconded by Merighi that Resolution No. 2015-6, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$6,000 to South State, Inc. for concrete and asphalt restoration at 715-719 E. Park Avenue in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Merighi and Errickson voted “yes”.

It was moved by Reuben and seconded by Merighi that Resolution No. 2015-7, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$943.59 to Babbitt Manufacturing Company for metal roofing panels and accessories in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Merighi and Errickson voted “yes”.

It was moved by Reuben and seconded by Merighi that Resolution No. 2015-8, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$27,472.14 to Winner Ford for 2015 Ford F250 Truck under State Contract #A83576 in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Merighi and Errickson voted “yes”.

Executive Director

Dennis Palmer wished everyone a Happy New Year and stated that he and Bob were talking about Resolution No. 2015-6 in which there were a lot of negotiations about the paving work that South State did for the City which caused problems to our sewer line and they ended up digging in the wrong spot and they had to go back and dig in a new

spot and some of the driveway and we had to play Solomon to negotiate a fair price to the Authority and the contractor. It worked out pretty well.

Dennis stated that the Receiving Station is going well and we have taken four loads of our own grease and scum from the head of the plant where we heated, mixed it and pumped it into the digester to make more gas. Each time we do that it saves \$600 from what we were paying previously to have it picked up and trucked to Gloucester County. We met two weeks ago and again today with Giordano's. They have contracts to haul a lot of different food processor waste from all over the county and surrounding area. They are potential customers to bring material here and literally dozens and scores of customers to bring in material. We've had discussions with two or three other haulers who also handle things from dairies and customers from the other side of the county and other food processors in this area. The idea is to bring in waste and make it energy. We're currently working out some bugs with our own material and what to look for with customers.

Training for CPR and First Aid for staff will be next week. We are working also today some FEMA grants for two more portable generators for back-up power for pumping stations. If we are successful we will have either a back-up pump or generator for almost every pumping station except for maybe two very small stations.

Reorganization is a month away so you might want to consider what committees in which you would like to participate or switch to next year.

Also, the bob white folks, the Quail Project people from Fish & Game stopped by today at the same time we had our progress meeting on the receiving station. We got another check on Friday for \$31,000 for reimbursement from the State and we have another \$60,000 or so coming for construction of that project.

Field Engineer

Bob Schwarz reported that construction activities continue for the following projects: Marcacci Meats at Oak and Delsea Drive; Dandelion Plaza at Wheat Road and Delsea Drive; Inspira Healthcare on West Landis Avenue next to ShopRite and Melrose Court at Melrose and Chestnut Avenue.

Bob also stated that the Permit Extension Act will enable all projects to obtain a one year extension if they had prior approval and it was signed by the Governor on December 26, 2014.

Solicitor:

Steve Fabietti reported that today we filed an appeal of our NJPDES permit fee, as you recall for Mr. Barse's benefit. The primary permit of the Authority for the DEP or the NJPDES Permit, the annual fee used to be in the \$19,000 range and it has more than quadrupled with our last year's assessment. Dennis stated it was \$92,000. Steve stated

that we filed an appeal of that amount and there is a process and the DEP is reviewing it and they are either going to grant the hearing or not and depending on their action we can then take further action. The answer received today from DEP was that it was still being reviewed. We filed in October and it is still being reviewed so the person who is reviewing it is going to get back to me this week and hopefully by the next meeting I will let you know if we are having a hearing. Someone answered the phone on the second ring but she was not a person who could tell me anything other than it is being reviewed.

Perry Barse asked did they have any rhyme or reason or did they just throw a number at us.

Steve stated that there is a regulation that sets up factors to take into account to construct the permit and this is a statewide process and it's not just this Authority. Others have been impacted as well. Dennis was involved and provided testimony at the State level when they were considering these changes and set out a variety of counterpoints to the points they were making and that's part of the record that we are basing our appeal on. So far we've gotten no substantive answer to our issues.

Dennis stated that there is a lot of theory but they definitely changed those who discharge to groundwater. One of the issues is that we are the biggest dog in that group. We have the largest permit of all of anyone who goes to ground water from wastewater treatment. We were at 8 million permitted and tonight we're at 10 million. The next is Fort Dix at about 5 million then you drop down and the next is about 1.2 million. We're the biggest and all those who were the biggest got hammered. One of the reasons is that they haven't raised the minimum fee in many of these categories in maybe 10 years so the total budget keeps growing and you don't keep doing anything on the minimum fees, those that have larger and the biggest flows keep carrying a bigger piece of their budget. Dennis stated that he went to the public hearing when they had it and gave verbal and written testimony at the hearing. A collection of Authorities under the Authorities Association when they actually adopted it, filed appeals. A lot of them got cold feet. Us and Ocean County and their three permits are the ones that filed to the point where we want a hearing. I don't think they've ever had this happen and some of the other issues that we raised is that they have almost \$6 to \$8 million in bad debt from people who haven't paid their permit fees. There are other things they haven't done. The rules say you have a form on how to adjust different fees but they've chose for the last eight years to ignore it and they are going after the bigger ones. There are a lot of issues there and I think they have some egg on their faces.

They are supposed to come out at the beginning of this year, either this month or next month, with a whole new set of rules and formulas, the \$92,000 is our largest permit, to combine them all under the new rules is about \$48,000. It's a little more reasonable and one of the things I keep telling other authorities in this issue, especially other guys look at it from a pure engineering standpoint, DEP responds to two things pain and power. We want to make this process as painful as possible by dragging them through the hearing process to give them an incentive to adopt the new rules. They've been talking about these new rules for a while and if you don't gouge them as we've been gouged, they will

not follow through. You have to give them a reason to adopt the rules and we're going to give them a reason.

Steve stated that may be one of the reasons we haven't heard anything.

Dennis also stated that he and Steve have been looking at a couple of things for green energy. Our long term goal is to try to get off the grid as much as possible for electric. DEP is pushing resiliency and self-sufficiency as much as possible. They are looking for more self-generating items. Someday there is going to be another Sandy and some day it may come up the Delaware River and up the bay which would be the most catastrophic. If it takes out some of those power lines across the bay. NJ imports a lot of electricity and that's where it comes across and we want to be able to keep the plant running if those things happen. We've been talking about a couple of green things; expand the co-gen as we get more gas as this food waste comes in and also is the duckweed process where they have a series of generators making gas from the duckweed and use it in our effluent as a nutrient source.

Steve stated that we are putting together some language to see how it would look in a proposal for bids.

Chairman: Vice-Chairman Errickson stated that he would like to welcome back Perry Barse to the LSA Board of Commissioners. He's not new to the Board and because of that we know that he will do a good job and be a real asset.

Issues and Correspondence: Dennis stated that we need a motion authorizing us to go out to bid for certain services when they come up.

It was moved by Merighi and seconded by Reuben that the executive director be authorized to advertise for bids for the following contracts:

- a) Laboratory Services
- b) Vehicle Services
- c) Pebble Quicklime
- d) Hydrogen Peroxide

Roll call: Barse, Reuben, Merighi and Errickson voted "yes".

Committee Reports:

Engineering/Plant

Dennis stated that he contacted our plant engineer, also for financing that we are looking for later in the year when we go out for bonding and start the process. Dennis also reported that he sent an e-mail off to McManamin and Scotland, we've talked in the past

and they helped us about a year ago to look at our bond covenants as to bond council to start thinking about the process. The professional contracts are coming up and you might think about how you want to handle your opinion letter for bonding as well. We are basically looking at the second quarter to start getting engineering contracts in and there aspect is for them to work on a reimbursement resolution that if we spend money towards the future projects, say out of the construction fund for engineering, there's a reimbursement from the bond proceeds.

Dennis also stated that he has been working on an air pollution permit and it's been frustrating. DEP has a process where you go on line to their website and you fill in your data, it's multiple pages, I've filled it six times and I'm not getting it correct so I am reaching out to Stan Chilsen and his firm as someone who has done this before and it's not user unfriendly. It's not a normal excel spread sheet; it's a strange system. I know that a lot of people are frustrated and I am as well. We need an air pollution permit for the bio filter so I am going to work with their person.

Bob and I are working in house on a sewer line project that we are funding ourselves or through future bond proceeds. We are looking at a few areas where we could put sewer line in that may provide growth and look for the best bang for the buck for location or relocation of projects.

Budget/Finance

Dennis stated that he did reach out to bond counsel and our plant engineer to think about during the second quarter and get a proposal in to tighten up the numbers for their design services as well as the actual construction costs for projects so we can put together an offering.

Dennis reported that he has an e-mail in to Joe Isabella about some checks and we are working on that.

Human Resources:

Dennis stated that we have one vacancy at the farm. We didn't want to hire during the winter since they are laid off for one month and they come back in February. We will offer in house and then advertise. Someone must have a CDL to drive a tanker and has some experience with farm work and equipment and mechanical capabilities.

Public Relations:

Dennis stated that we had a nice string of about seven articles in the paper regarding the \$50,000 and some other articles. Right now we have a new year and hopefully new relations as we move on.

Insurance Committee: No Report

Allocations/Administration

Dennis stated that some commercial stuff has come in and some interest but at this point it is zero when it comes to homes. We look to have about 600 homes on the books as Bob talked about with the permit extension act. Their permits and approvals extend and some have asked for their money back but they don't get money back unless someone new comes in with the same allocation such as multi family, large residential project, if its commercial. We took action earlier on the increase in capacity to 10.2 million gallons in Resolution 2015-3. In our allocation policy we have a procedure, we have a point system and how we give and track capacity. They have to be substantial projects, they can't be just speculative projects and there's a way we track that capacity. With the new permits we have 2 million gallons and stuck it into that policy and it's in the reserve to be distributed to residential, commercial or whatever else comes down the line. That's probably the last things we had to do and when we built the line all the way out to South Lincoln and that line is built so it can go more than a half mile on Main Road and a half mile on South Lincoln so that has been opened up and we'll see if something comes out of it.

Old Business: None

New Business:

Dennis stated that he will be reaching out to our professionals to start talking about their contracts for the reorganization. I had mentioned this to Steve a while ago is to have an alternate legal counsel if Gruccio, Pepper has a conflict. Keith Davis did a really standup job for us and the suggestion is that we go out and request for professionals that we have alternate counsel if we need it. I like to have things ready to go in case we need it so the suggestion is to ask for that position as an alternate counsel.

Adjournment:

At 6:25 p.m. there being no further business to come before the Board, it was moved by Reuben and seconded by Merighi that the meeting be adjourned. Roll call: Barse, Reuben, Merighi and Errickson voted "yes".

THE LANDIS SEWERAGE AUTHORITY

CARLOS VILLAR, Secretary