

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
September 21, 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 Assistant

It was moved by Villar and seconded by Barse that the reading of the minutes of the regular meeting held on September 8, 2015 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Villar and seconded by Barse that the reading of the minutes of the closed meeting held on September 8, 2015 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Barse, Reuben, Errickson, Villar and Merighi 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 Reuben and seconded by Errickson that Resolution No. 2015-101, “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.....\$65,037.23”, be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-102, “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...\$394,679.53”, be adopted. Roll call: Barse, Reuben, Errickson, Villar, and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-103, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$5,000 to J. Souders & Son Excavating, Inc. to excavate and replace, backfill and install crushed concrete base 6” thick with temporary asphalt restoration and traffic control at 2481 E. Chestnut Avenue in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi “yes”.

It was moved by Errickson and seconded by Villar that Resolution No. 2015-104, “A Resolution of the Landis Sewerage Authority authorizing the award of a two year contract to Eurofins QC Laboratories, Inc. for laboratory services...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Villar that Resolution No. 2015-105, “A Resolution of the Landis Sewerage Authority authorizing an alternate method contract with Allen Associates and Rx Alliance to provide a fully insured prescription medication plan...” be adopted. Roll call: Reuben, Errickson, Villar and Merighi voted “yes”. Barse abstained.

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-106, “A Resolution of the Landis Sewerage Authority authorizing the award of an alternate method contract with Hatch Mott MacDonald for the engineering review and support for collection system estimate for future bond...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-107, “A Resolution of the Landis Sewerage Authority authorizing the award of an alternate method contract with GHD Engineering for engineering review and support for planning and design of improvements to the Wastewater Treatment Plant for future bond...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Villar that Resolution No. 2015-108, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$315.00 to GHD Engineering for air quality control application from 7/27/15 through 8/23/15 in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Reports:

Executive Director:

Dennis Palmer reported that in everyone's package there was a letter sent to the Board of Ed stating that this is the third time in a couple of years and to get their accounts payable in order.

We received a letter from the EPA dealing with samples on our property and the two rivers that come through our property. There is lead and arsenic. It's hard to see on the copy but the exceedance is done in red and it's clear that it is definitely there. Also on Kil-tone, we've been out there and we need to follow up with EPA and maybe take some dye out. It appears that there is a surface storm drain on their property that might be cross tied instead of going into the storm sewer it might be tied to the sanitary sewer. We have to verify it. Dennis asked if we still had green dye and Bob stated that we may need to get more. Dennis reported that there is an intense dye that looks red but when you put it in it turns green. That's how you can follow it down the system to see if there is a cross connection.

The insurance committee met and we took action. There has been a lot of effort on the lien sale and that is ongoing. We write a letter to the mortgage holder, then a letter to them saying your name is going to be in the newspaper and when it shows up in the newspaper, we photocopy it and mail it out to all of those people on the list. They start coming in because they don't want to see it again in the newspaper. We had one today that was about \$4,000 for someone who just came off of bankruptcy and the way the discharge was they owed it to us. The sale is coming up October 8th.

Dennis stated that last week he did a presentation at a seminar with the NJ Water Environment Association. We took action on the lab bids and we had a couple of bids that were very competitive and we also met last week met with Assemblyman DeAngelo in the Trenton-Hamilton area. He introduced a bill that all sewer bills would have to be on metered flow. It would be actual meter readings. We would have to somehow get data from the water utility in our case and bring it over twice a year and it would be a nightmare. What I brought to his attention that Camden County Regional Authority retails for thirty-some towns with twenty-some different towns having their own water utility and NJ American and Aqua. It's an administrative nightmare to transfer that much data tens of thousands of accounts. We met with his chief of staff. Something that is closer to him is Western Monmouth and they have 38,000 accounts. They bill five towns. We tried to tell them that this is not a good idea and hopefully that bill will not go anywhere. I find quite often that you get better conversations and more effective conversations meeting with the Chief of Staff. The legislators have a full time job and many other things on their mind. The Chief of Staff is the person who usually grunts out gets through on these bills and I think this came off as a very productive meeting.

Steve and I have been going back and forth on a personnel matter. We will meet at his office tomorrow afternoon.

Chairman Merighi asked how that even came on the meter with the legislature. Dennis responded said that he saw what was happening in California and he wanted an idea to make people more sensitive to their water and sewer bills and also if you could save a few dollars for a mom and pop who are scraping by and saying that what is next door to them is a house with a family of five. We also tried to explain that you have to pay for all of the pipes from the plant out to that house. You have to pay if the lines leak if it's an older neighbor, you have ground water and illegal basement drains and sump pumps tied in so it's not just what they use, it's a broader picture. We're 70% fixed costs so if you have mom and pop using only half as much as the house next door, they don't pay half a sewer bill; at best they would have a 15% deduction. We still have two guys in a pickup truck with tools and have to go out to a pumping station to maintain it. You still pay for all of the health insurance, property and casualty, bond and debt service. These are a few examples that no matter if you give me one gallon or you give me 500 gallons, all of these other costs have to be paid. There is a small piece that is variable and we tried to explain that to them. Some Authorities that have newer bonds or have done a lot of construction, their debt service brings them up to 75 or 80%. When I left Camden we had a huge debt of over \$500,000,000 and our fixed costs were 75 to 80%. So much was going to debt service and it was a big budget. The operating budget was \$18,000,000 itself. We had an hour and fifteen minutes with you and you only get fifteen minutes with a legislature. Peggy, who is the director of the AEA, was a little hesitate not meeting with the Assemblyman himself. I told her that the chief of staff is a much better meeting.

Field Engineer

Bob Schwarz reported that the County Vo-Tech School contractor, Wyndam Construction, connected the sewer line into the existing force main on College Drive from the College. Testing will be performed soon.

Significant progress has been made at the intersection project at Main and Elmer Roads, LSA attended a pre-construction meeting for the drainage project throughout the City. Pennsylvania Avenue is the only one where sewer is present.

Bob also stated that LSA sent a condolence letter to the City of Vineland Engineer regarding the passing of Laimi Lesins, City Inspector. LSA had a good repoire with him and he was praised for doing a good job.

Solicitor:

Steve Fabietti stated that he had no report with the exception of settling with T & W Construction.

Chairman: No Report

Issues and Correspondence:

Dennis stated that he was looking for a motion to advertise for a paving contract. Last year we did it for the first time and it was very successful. We used to do paving as jobs came along. What we did last year was actually go out for contract to ask a paver to give us a price for top, base and different aspects so that when we have a need, we can call and ask them to go and do the job. They've done the paving around the receiving station and they've done paving on Hance Bridge Road that the County called about and other spots around town where a manhole settles or a trench. It's nice to have them ready to go if there's a project. The year is up on the contract and I'm looking for authorization.

It was moved by Villar and seconded by Errickson to authorize the Executive Director to advertise for paving contract. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

Committee Reports:

Engineering/Plant:

Dennis reported that we took action on two big projects for asset management for the next 25 years. We have a pretty intense two and a half years between design and construction. We will also be meeting with the City tomorrow. They've bought a piece of property off of Sheridan for public works. It has a building and a pump station but the pipe doesn't go anywhere so we will have discussions on how they can tie in and the best way to do it. That will be tomorrow at 10:30.

Budget/Finance:

Joe Reuben reported that income is approximately \$599,913 or 9.23% over budget. Expenses are approximately \$100,594 or 1.55% under budget. Accounts receivables decreased approximately \$383,698. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Dennis stated that it looks like income is \$60,000 but it's on an accrual basis. We bill that but we don't necessarily have it. If you remember in January and February the expense side was over budgeted; but those one timers that hit as we worked through the months of the year start coming down. We are under budget finally.

Human Resources

Dennis reported that Renee started today; she is the accounts receivable clerk out front. She was deluged with a lot of people coming in with these bills but she handled it well and she seems to have a good repoire from the lady she is working with. That's a plus.

Public Relations:

Dennis stated that we have a couple of tours coming in. The City of Bethlehem is coming in October and we have the South Jersey Water Environment Association doing a mini

seminar here with a little bit of classroom time. Our guys will get contact hours and there will also be a tour of the receiving station and some other things in the plant.

Insurance Committee:

Carol Ricci reported that a brief explanation of the prescription renewal shows that Allen Associates came up with a plan that was evenly matched in coverage to the plan that we have with the exception of one insignificant item. The difference from my memo is self-funded v. fully funded. We did have to put another \$18,000 into the HISI account to cover extra expenses for drugs. You are always up against that and rolling the dice with a self-funded plan. The Committee felt that it would be much better not to roll the dice this year and go with a fully funded plan. Allen Associates has been quite attentive. This is a big deal to move everything over and a lot of information has gone over again this week. The folks that I have been working with have been absolutely outstanding.

Also, at the end of this eight month contract and it is only eight months because they renew on July 1st, they work on a fiscal year and not calendar and they will throw all of our expenses into the mix and judge us on our performance. It's not a co-op like others so I don't think we will be suffering for everyone else's losses here. Co-pays remain the same it's just the transferring of information. There will be some complains I'm sure and some hiccups but you are going to have that when you do something that large. It is a massive task and I have been on the phone with them four or five times today. We are getting it all done.

The other thing to be mentioned is that we will have a flu shot clinic set up here on October 26th. It's your' option to get the vaccine. Our guys are exposed to a lot of things. If you go to the doctor and the insurance, it is cheaper for us to do it this way than to go through a physician since there is always an added cost. We also had a second round of Hep A & B shots this week for those people that were non-reactive to the vaccine last time.

Dennis also stated that about 20 years ago we went to a self-funded plan on health insurance and we were a much younger group and it worked out well. What we are doing now is what we did ten years ago with the size of the group we have. All you need is a couple of hits and the biggest hit we had was a preemie. It's bigger than cancer since they are in the hospital for so many months with round the clock care and its big bucks. We got out and went to fully funded. The TV is full of ads for these wonder drugs and those numbers are in your package; \$40,000, \$80,000 or a \$100,000 for a treatment regimen and because people are pushing it so much, people say I want that drug and that could really whack us so it's time to move over to something more secure. We didn't want to throw the dice.

Carol Ricci stated that we got hit pretty hard for a couple of years and things calmed down a bit. Then we had another big issue and you can't turn people down. It's discriminatory and now we are trending much better and I'm sure that played into Allen formulating their quote for us. It turns over on November 1st.

Chairman Merighi thanked Carol Ricci for her work on the prescription renewal process.

Allocations/Administration: No Report

Old Business: None

New Business:

Carol Ricci reminded everyone that the notice of the Christmas party was in the folders and if possible to please keep the date in mind.

Adjournment:

At 6:20 p.m. there being no further business to come before the Board, it was moved by Villar and seconded by Errickson that the meeting be adjourned. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

THE LANDIS SEWERAGE AUTHORITY

G. STEVEN ERRICKSON, Secretary