

THE LANDIS SEWERAGE AUTHORITY  
REGULAR MEETING  
February 16, 2016

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
Eduardo Gonzalez	SSSE

It was moved by Errickson and seconded by Villar that the reading of the minutes of the regular meeting held on February 1, 2016 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 Errickson and seconded by Barse that the reading of the minutes of the closed meeting held on February 1, 2016 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 Barse and seconded by Errickson that Resolution No. 2016-23, “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.....\$67,033.76”, be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Barse and seconded by Errickson that Resolution No. 2016-24, “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.....\$243,385.75”, be adopted. Roll call: Barse, Reuben, Errickson, Villar, and Merighi voted “yes”.

It was moved by Barse and seconded by Errickson that Resolution No. 2016-25, “A Resolution of the Landis Sewerage Authority authorizing the Executive Director to award and execute a contract to Paving Plus LLC in the amount of \$172,180.00 for paving at the LSA plant and restoration of various trenches over existing sewer...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Dennis stated that we had an open bid and we’ve been waiting for his insurance and bonds. We had five bidders and it was very competitive. Last years’ bidder was third. Perry Barse asked where the contractor was from and Bob Schwarz stated they were from Franklinville. Dennis stated they have worked twice for us as subs when Garrison has done pipeline work for us they came back and did the paving. We’re happy with the work they did for them as a sub. We’ve had a long relationship with Garrison so we feel comfortable and we have their bond as well.

It was moved by Barse and seconded by Errickson that Resolution No. 2016-26, “A Resolution of the Landis Sewerage Authority creating the position and job description of Administrative Assistant/Plant...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Dennis stated that this will come back for action next meeting and we have another one. We have the hire and it’s to set compensation. I just wanted everyone a chance to look at it. If you have any questions, the Personnel Committee is good.

It was moved by Barse and seconded by Errickson that Resolution No. 2016-27, “A Resolution of the Landis Sewerage Authority authorizing the Executive Director to enter into an Interlocal Services Agreement with the Cumberland County Improvement Authority...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Barse and seconded by Errickson that Resolution No. 2016-28, “A Resolution of the Landis Sewerage Authority authorizing correction on credits, charge-offs, refunds and cancellation of accounts in the amount of \$2,970.00...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Reports:

Executive Director

Dennis Palmer reported that he worked with Steve on the J.L. Septic matter with Steve. We also attended the DEP public hearing on the NJPDES fees. We submitted our multi-page reason why we objected to it and I also worked on Steve with the filing to initiate the process coming out of last week's meeting on the Appellate Division appeal.

We had a meeting with the men from the SJ Quail Project. We received a very rare item and it is an agricultural burn permit which allows us to do controlled burns and we're going to use it to burn a lot of the woodland area out there to burn out the greenbrier. It will help open up the area to make a healthier forest. A controlled burn gets rid of all of that fuel so that if a forest fire came through it's not there. A controlled burn works opposite than most burns. We did one a few years ago. They start the fire against the wind so the wind is not pushing and its burning very slow against that wind. Meanwhile it's chewing up any underbrush, dead branches, greenbrier and anything else that is not good. Since it's going against the wind it's slow burning. When it gets three quarters of the way they light the other side and they come together very quickly and for about 30-60 seconds or so it sounds like at the end of a jet engine on after burn. The flames go about 30 or 40 feet in the air. When it's all over you have a lot of ash which is potash which is potassium and it helps in the future. In a pine forest like we have there's a seed inventory in the ground waiting for that fire to come along and sprout healthy things for the ecosystem rather than just the greenbrier. It will open up the area we planted where we have seeds and flowers. We got a permit that's really hard to get.

We received a nice letter from the Pineland's Learning Center where the staff had a service call. I have a letter I want to save for issues and correspondence the letter we got from the tax office.

I sent you all a copy of the video which was presented last week by Doug Fisher at the State Agricultural Conference in Atlantic City. Now that it has been released, I've been sending it out to other groups that are involved like Mid-Atlantic Bio solids that covers the whole mid Atlantic area of the United States and some other water organizations as well. We might send it to Channel 22.

Steve Lewis, our past Commissioner, came in to see me today. He's made a presentation to City Council and he would like us to consider it and I would like to refer to Steve if he can research the statutes. He had a request, since he is very active in veteran's organizations, that if someone is on active deployment overseas is there any consideration he can get some discount off of their sewer bill. I said I did not know if it was provided for by statute, if not we'd be happy to work with our assembly and senate folks if he wants to get a bill sponsored. It's not a class of user that I am familiar with and there is one that I learned about for some over 55 facilities; there should be some extra consideration. We may have to go back and look at our user fees anyway. He's making a presentation tonight at the City Council workshop to see if he can get some interest on taxes, water or electric bills or something else. It's not for veterans parse but it's for active deployment.

Field Engineer

Bob Schwarz reported that we will be replacing a lateral on Park Avenue tomorrow morning with our crew performing the work. A lateral at 524 Grandview will be replaced tomorrow due to continual maintenance problems.

An application for fifteen additional units at Spring Oak on Main Road was submitted to this office. We are commenting according to our policy and rules.

Bob also reported that there was a problem with the Sparkle Clean Car Wash over this past weekend. They were advised that they are responsible for the repairs.

Solicitor:

Steve Fabietti reported that he was unable to attend the last meeting due to illness but the Commissioners authorized the filing of the appeal to the Appellate Division on the NJPDES Permit which I've since prepared and it sent out today overnight to the Appellate Division.

Dennis stated that he will be doing some OPRA requests over the next couple of weeks if there is anything to get.

Steve stated that he also heard from a colleague who was with an Appellate Division Judge today that the average time between filing the appeal and getting the decision in any case in the Appellate Division right now is about 23 months so we'll see how things progress and this is just to give you an idea of a start to finish time frame.

We also talked about filing a collection matter against J.L. Septic which is the hauler which owes money for loads brought in to the receiving station and we have begun that process as well. Dennis stated its \$5,800. Steve stated we are filing in a special civil part of the Superior Court in Woodbury which is where they are located.

Chairman: No Report

Issues and Correspondence:

Dennis reported that we are looking to replace the 2007 GMC Acadia with a 2016 Jeep Patriot from the state contract and he is looking for authorization to purchase.

It was moved by Barse and seconded by Villar that the Executive Director be authorized to purchase a 2016 Jeep Patriot 4WD SUV from State Contract in the amount of \$20,452. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

Dennis stated that the second item is a letter from the Tax Office sent on January 16<sup>th</sup>. It sent it to the Board and I want to discuss it tonight. Over the years we have been slowly

raising the amount and this is a big jump going from \$7,500 to \$10,000 and escalating over the next few years. It goes to the Tax Office for their help during the preparation for several months going into the tax sale. We did get a program that helped make our software more compatible when we send them information. This is a pretty big jump and I wanted to see what you want and would we really like to lock in an agreement for the next three years or do we want to say a dollar amount now and we'll deal with next year when it comes around. We all have budgets and it's all subject to the budget we have before us.

Perry Barse stated that he was fine going year to year. Dennis said he hates to lock in for three years. You never know what will come along. Perry stated he thought it was prudent. Dennis asked if we want to go to the \$10,500 they asked for this year and we deal next year or do go someplace in between. It seems to be a big jump. Perry stated its 40%. Dennis stated we always like to work with the City and this is one of our oldest shared services agreements and it's been around for more than 20 years. They are also doing work that the law says you are supposed to do. Regardless of being compensated for it, the law says that tax offices are supposed to do this when it comes to liens, be it our lien or whatever liens are out there. Perry asked how long it was \$7,500. Dennis said it hasn't been long, may two to three years. It was about \$5,000 and we did the jump to \$7,500. This time they asked first, that time we were told it already passed with the higher number in it. Perry stated we should tell those 10% and \$8,250.

It was moved by Barse and seconded by Errickson that the Executive Director authorize an increase to \$8,250 to the tax office. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

Dennis stated that we had an inquiry from someone who wanted to purchase some of our land for private business of a somewhat industrial nature and one of the issues I had and a very clear one, is that almost all of the land we have has an underlying deed restriction from the EPA and it has to be used for a treatment plant and it has to be used for something of a similar nature. I've gotten waivers twice so people can go forward which is the two solar projects; we had to get a release from the EPA stating that the rest of the plant is being used as it was intended and it's an environmental purpose. This is not that and the underlying issue is does it trigger the return of grant money for property we sold or does it apply to the whole grant. I don't know that and it would be a legal opinion. I want someone else to spend the money on it and not Steve's time. The other side is that maybe it's odd for a public agency to brand itself, but we've spent the last 20 years branding ourselves as being in the forefront in environmental and know what we are doing and do a good job at it. Does selling off a piece of property for private industrial application, is that fitting with the brand we have tried to promote over the years. The real big issues is that the grant was about \$1.4 million that we received and it was 75% to 80% funding of a \$1.8 million land acquisition. That includes the farm and both sides of the river; we bought land from small parcels all the way to large lots from WaWa. If they would like to meet, I would be happy to meet with them but you have to carry the water on the legal research on these federal CFR codes. They go back into the 80's. I tried to Google them and I couldn't find them. There is a process on how the land would be

transferred and how you got the grant. I will keep it to that level and see if they ask for a meeting.

Bob stated that they can always buy the kosher poultry plant. Dennis said he told them that Vineland Kosher is going up for public auction from March 1<sup>st</sup> to March 10<sup>th</sup>. There is a fee on both buildings and grounds. That's an I3 zone and we're in I4 so it's not quite the same use. It has well, water and sewer capacity.

Perry Barse asked if there have been any inquiries to us about anything related to that. Dennis said no. Probably a year and a half ago I had a meeting with Sandy and some other people in City Hall that were coming from New York to open a kosher facility. The Robbs never let the NJPDES permit lapse. They have always paid their fee which is based on flow and it's minimal. They have their water permits for the two wells and they have city water. The buildings are subject to question.

Dennis had talked to some other people from Halaal and the Raab's had Herb sign a non-compete and it could not be a kosher facility. Dennis stated he did not know how long a non-complete clause would last. It's been five years plus. That's a whole other thing happening when we had this inquiry. Dennis stated that he is open to a meeting and he found a sample of the deed restriction to pass on to their counsel to explore.

#### Committee Reports:

##### Engineering/Plant:

Dennis stated that there is an engineering meeting set up this week. We want to have a Finance Committee meeting coming soon after this to start talking about financing. We have engineering estimates on both plant upgrades and collection system upgrades and both will take some polishing. At this point final designs are not complete. These are estimates and I also have some contingencies added to that in costing. I have a philosophy going into this trying to stay somewhat close to our existing bond debt which was \$22.9 million. Interest rates today are much more favorable but I'm looking at it as one debt expires you buy the next one. I am trying as much as possible for our users to not be whipsawed on rates that the new debt will be somewhat of the same value as the existing debt and so the budget continues to go on flat. We're looking at a three year balloon, zero payment loan and then take it out afterwards. I've sent a note to the Finance Committee and I've started talking to David and bond counsel. Once these numbers are polished over the next couple of weeks, try to get with bond counsel and get an application before the local finance board and move forward. What do we do to assist them so we can get another twenty five years out of it? Sears is going to be a major upgrade. Sears takes in vast portions of the town; Oak Road PS, a lot of the north central part of town. It has already had high flow issues. It was built with 1950 technology and codes. As soon as you start doing upgrades you start with upgrades to codes and it will be a major renovation there. Some other pump stations are Oak Road and New Pear are similar. The hatch to the sewage comes right into the control room with all of the electrical. On Oak Road we will build a block wall to separate the two rooms and

ventilate the other side. Sears is too small and it's a whole new force main and it's a really significant investment. The target is try to replace future borrowing to what we borrowed today so the net effect per year stays the same. The existing bonds last payment is October of 2019 but there is a reserve fund which is the last year's payment so for all intent the bonds are done in 2018. New financing will kick in about three months.

We're opening bids on Thursday for work on Chestnut Avenue. Tom Merighi asked if it was the Kiltone issue. Dennis said it was and we separated the two projects instead of one. We had to go round and round with the City for street restoration. First they wanted us to replace it with #10 rebar that's 1 ¼ inches which is for missile silos. Most of the street is #5 which is 5/8". We got that worked out and we will have them do all of the work, bring it up and we'll do the final restoration and use our paving contractor.

At this point in the meeting Eduardo Gonzalez, who was doing rounds in the plant was presented with a 20 year Service Award.

#### Budget/Finance:

Joe Reuben reported that income is approximately \$27,536 or 3.32% over budget. Expenses are approximately \$68,495 or 8.26% over budget. Accounts receivables increase approximately \$388,121. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Dennis stated in January and February you hit a lot of one time payments and that's why you see the expenses out of line with the income and they eventually work themselves into the rest of the year.

#### Human Resources

We have several things happening. The new accounts receivable person starts next Monday. The plant administrative Assistant started last week and is doing very well. We have two retirements coming up shortly; our lab director is retiring at the end of the month and I will be bring action back to you the first meeting in March to deal with two issues. Move an existing lab tech to lab director and move someone else in to the lab tech position. This is moving through the next four or five years. The plant came on line in 1989 and with that there was significant hiring that took place to bring people on board and now those folks are reaching 25 to 30 years and it will be cresting over the next four or five years. A lot of this is succession planning and looking to the future. We're bringing in some bright people now and filling those positions and we've made some very good hires including the plant.

#### Public Relations:

Dennis stated that the video is out there. It didn't cost anything and the guy who did the video just loved the plant. It was paid for by whatever was left over in the grant for travel, public relations and viewing other facilities. He would like to do some other things and

loved all of the different things we are doing for sustainability from the wind turbine to the solar panels. He flew his drone over the solar panels and the farm and he came with a professional crew. It takes an hour just to set up. Those three minutes of film took probably 8 hours of filming here and other places.

Tom Merighi asked if we would see it at AEA. Dennis said he sent it but he didn't know.

Insurance Committee:

Carol Ricci reported that she will be meeting with Bob English from Willis on the 23<sup>rd</sup> of February for the commercial package renewal. We will be scrubbing through the schedules to verify and update information. A lengthy questionnaire was sent to us by Glatfelter that will be worked through at that meeting. Everything is pretty much in place. We just need to update values.

Dennis also stated that we are still having problems with the prescription plan.

Allocations/Administration:

Dennis stated that he sent Steve an email late in the day dealing with the middle school. If the State comes in and builds the school they claim they don't have to pay the connection fee. I always have the argument that they should pay it. It's not the Board of Ed; it's the State's school construction corp. We have the past litigation with K-Land and in that litigation they were supposed to get a pro rata fee if anybody ties in. It's not us collecting the connection fee. It's somewhat different. It certainly has implications.

Steven Fabietti asked what has been done in other schools recently. Dennis replied that we have not had one since the law changed. We had a meeting on Wallace or Petway and they had us come in and we're not paying the fee. They called us and the water utility and I called my fellow Authorities around the state that I know were Abbot Districts and I got six or eight that collected the connection fees. I got the name of the school and the value of the connection fee so when they told me they don't pay connection fees, I said let me take this opportunity to educate you. Here's a list of six or eight schools that have paid connections fees in the last six or eight months. They then said they don't pay water fees. The Statute was changed. My position was that fine for the school court but they only pay eligible costs. That doesn't mean when there are ineligible costs that they should not be paid by the local Board of Ed. I wrote three letters over the span of the last three years saying you got a connection fee because of the K-land litigation. It's been on record several times.

Carlos Villar asked if the CC Vo-Tech paid a connection fee? Dennis stated yes but you are not a school construction corp school. The State corp does all of the work hiring the architects the construction companies and so forth. That's the difference. You have an email waiting for you that states their position and the most recent that I sent. They kept putting the school board on record and I say there are ineligible costs. The school construction corp pays for the books that are in the school. There are other ineligible

costs that get paid for by someone. Tom Merighi stated that just because they don't want to pay for them it doesn't mean they can't be charged. Dennis stated that was his position exactly.

Steve Errickson stated that he challenged it also and we took it pretty far and we got some nasty letters from those people up there. They made it quite clear and the law is very long, about ten or twelve pages and hidden in there is some very clear language that it's their money and they don't pay according to the law. So if the school is built with State money, you don't collect. We gave it up. It looked like a loser. We took it pretty far, I read it and that's what the State legislators did. Dennis said it was buried so deep we never saw it at AEA legislative Committee. Steve stated that the few little lines that make it clear are in the middle of all of this legal mumbo jumbo.

Dennis stated that the position that he is taking is that these are non-eligible costs and maybe not eligible for state funding but it's an ineligible cost someone should pay for.

#### Old Business:

Tom Merighi stated that Mrs. DiPrimio was at the last meeting and I just wanted to let Dennis and Bob know that I did have a business owner from north Delsea Drive that keeps coming back and asking are you ever going to get sewer on North Delsea.

Dennis stated that it is going to be a discussion on Friday. Tom said he referred him to the Authority. Dennis stated that it is well over \$5 million to do a little bit up and down North Delsea Drive. Your return on investment always wins and the return on investment looks like we could be there for a long time to get the money back. That's a discussion that puts us over the \$23 million target. Maybe it's something to consider and I have a hard time putting the rate payers of Vineland in debt for \$5 million. That's twice we've ever paid for industrial parks where we know with high confidence that there will be someone coming in that you would get your return on your money.

Tom Merighi stated that if there was ever a time to do it would while we are doing these other projects. Dennis callous up there is a very large empty lot on Orchard, Oak and going towards Delsea that different people have come in to see us. That is the hub for the whole area and the designs for one of the pumping stations is to be located. If there is a natural drainage spot anywhere in that area would make it an ideal spot. If that worked and you had a station and a force main that would be the hub to make a lot of other things work up there.

New Business: None

Adjournment:

At 6:42 p.m. there being no further business to come before the Board, it was moved by Errickson and seconded by Reuben that the meeting be adjourned. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

THE LANDIS SEWERAGE AUTHORITY

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G. STEVEN ERRICKSON, Secretary