

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
January 19, 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, Villar and Merighi were present. Errickson arrived at 6:20 p.m.

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 Reuben and seconded by Villar that the reading of the minutes of the regular meeting held on January 4, 2016 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”.

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 Reuben that Resolution No. 2016-5, “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.....\$110,094.48”, be adopted. Roll call: Barse, Reuben, Villar and Merighi voted “yes”.

It was moved by Barse and seconded by Reuben that Resolution No. 2016-6, “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....\$229,628.82”, be adopted. Roll call: Barse, Reuben, Villar and Merighi voted “yes”.

It was moved by Barse and seconded by Reuben that Resolution No. 2016-7, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$29,010.32 to Hatch Mott MacDonald for various sewer pump stations and collection system upgrades in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Villar and Merighi “yes”.

It was moved by Barse and seconded by Reuben that Resolution No. 2016-8, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$69,202.24 to Kraft Power for Pressure transmitter and Co-Gen engine generator control upgrade, parts and services rendered to repair generator to proper working condition in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Villar and Merighi voted “yes”.

It was moved by Barse and seconded by Reuben that Resolution No. 2016-9, “A Resolution of the Landis Sewerage Authority authorizing an agreement for services of Cumberland Advisors/Cumberland Consulting as financial advisor from February 1, 2016 through February 5, 2017...” be adopted. Roll call: Barse, Reuben, Villar and Merighi voted “yes”.

It was moved by Villar and seconded by Reuben that Resolution No. 2016-10, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$9,160.00 to Garrison Enterprise for labor, material and equipment for replacement of 4” sanitary sewer lateral in the amount of \$9,200 and a credit of \$40 for overpayment from the Construction Fund as per Resolution No. 2015-71 in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben Villar and Merighi voted “yes”. Barse abstained.

It was moved by and Barse seconded by Reuben that Resolution No. 2016-11, “A Resolution of the Landis Sewerage Authority authorizing an alternate method contract for auditing services with Romano, Hearing, Testa & Knorr, CPA for the period February 1, 2016 through February 5, 2017...” be adopted. Roll call: Barse, Reuben, Villar and Merighi voted “yes”.

It was moved by Villar and seconded by Reuben that Resolution No. 2016-12, “A Resolution of the Landis Sewerage Authority authorizing an alternate method contract for Solicitor and Legal Services with Gruccio, Pepper, DeSanto & Ruth PA for the period February 1, 2016 through February 5, 2017...” be adopted. Roll call: Reuben, Villar and Merighi voted “yes”. Barse abstained.

It was moved Barse and seconded by Reuben that Resolution No. 2016-13, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$40,716.94 to Hatch Mott

MacDonald for engineering services for various sewer pump stations and collection system upgrades in accordance with the provisions of the Authority's General Bond Resolution..." be adopted. Roll call: Barse, Reuben, Villar and Merighi voted "yes".

It was moved by Reuben and seconded by Villar that Resolution No. 2016-14, "A Resolution of the Landis Sewerage Authority authorizing a contract with Inspira Occupational Health Services to perform annual DOT and Required physicals..." be adopted. Roll call: Barse, Reuben, Villar and Merighi voted "yes".

Reports:

Executive Director

Dennis Palmer reported that we opened bids last week and one was for paving and it will be on the agenda hopefully for next meeting. We are waiting for their bond information, their initial manning report, their contract and their insurance. We also received quotes at that time authorizing a motion later on tonight. We also have quotes on some work out on Chestnut and they came in higher than expected and over our quote threshold. So we have to go back and do it as a bid. We are also disappointed because we got only one. In some cases it's ok but not for this.

As a personnel item we sent letters out to everyone with low use of sick time and congratulating them on that.

Dennis stated that last week he was invited to go to DEP for a round table of about 20 different organizations to discuss how they will implement the Water Infrastructure Protection Act which is ways to make it easier for towns to sell their water and sewer systems and they are looking for real world input and to prepare guidance on how to implement them. It's nice to be recognized to bring in the real world testimony to DEP.

We are also looking at some people that do TV work and we are literally looking at videos of sewer lines to get work ready for Hatch Mott MacDonald. What you are looking for is the shape of the interior of the line and for the dips and bellies where water stands. We want to go back in and actually dig up the street and re-lay the pipe. If the pipe is acting like a trap and the water is not flowing and that's where we end up getting grease problems and blockages and other troubles especially in some of the old terracotta pipes in the City. They were laid in the 1920 and 1930. We have been looking at several that we know we have some grade problems.

I'll deal with the personnel items in human resources and issues and correspondence.

Field Engineer

Robert Schwarz reported the replacement of a lateral on an emergency basis was performed on Sunday, January 17, 2016 due to crushed Orangeburg pipe.

Solicitor:

Steve Fabietti thanked the Board for the award. He reported that he and Dennis worked on a letter to J & L Septic of South Jersey who is a hauler that brought in three loads and owe us money for that and they have been a little slow on the uptake. Dennis sent them a gentle reminder. Dennis stated that they are cut off from making any more deliveries and we are looking for payment which may be five loads.

Perry Barse asked how much they owed us and Steven stated \$5,188 and we hope to hear back from them by the end of the month to get it cleaned up. The other matter is that Dennis has brought me in on the latest projected fee from the DEP for the Authority's primary permit which is the NJPDES permit which is anticipated to be another \$90,000 assessment this year. We appealed the last two year's assessments and those appeals remain pending with the DEP and have yet to be finally determined but you have authorized payment for the last two years of the prior year's fee. Dennis stated that the whipsaw was the \$19,000 to the \$90,000 so we paid the \$19,000. The next year it was supposed to be down to \$70,000 but they had done the presentation where they were going to overhaul their whole system and we were targeted for \$45,000 based on our size so that's what we budgeted for. When it was \$70,000 we paid the \$45,000. I started working on a draft to appeal or start the process and I will go to the public hearing in February whenever it is. My suggestions go back again to the \$45,000 that was in their proposed overhaul. I am trying to get other Authorities to get interested too. We went up 20% and many others were going up 15% plus. The big issue is the rules had established a minimum fee based on the overhead and base salaries of the employees as they work on the program. They have never changed for ten years that minimum fee. With that said it means the rest of us are paying more for the system because we are carrying a larger and larger burden because they never go back and re-evaluate the groundwater. They assume in the groundwater permit that you put out a certain level of treatment which is secondary treatment. We are doing advanced treatment about one fifth or one quarter of their assumed value but we get no benefit for low permit fee but plants that go to the surface water, they take the actual laboratory results of how the quality is leaving the plant and gets put into the formula for the environmental factor and that becomes how your charge is determined. For groundwater discharge which is my major concern is that we'll just assign assumed value which is secondary treatment and we're doing advanced tertiary treatment. That is a discharge of thirty parts per million and we run five to eight parts per million. We are at a disadvantage there. Those are the two strongest arguments.

Steve Fabietti stated that Dennis will appear to state his comments and his objections and we'll get the official assessment and at some point after that we will file the appeal from there.

Chairman Merighi stated that you said a 20% increase. If it was initially \$45,000 that we budgeted and now it's \$90,000 that's a 100% increase. Dennis stated that he was speaking about the \$70,000 which last year's number should have been \$70,000 and it went from \$70,000 to \$90,000 whereas we paid \$45,000 which is what they put out in their fee assessment modification or overhaul. They rolled it out, they had a power point,

and they had forty people in the room in Trenton that I attended. I attended two out of the three meetings there which AEA and other people covering the one I missed. We gave our comments and said the overhead factor is too high. Your multiplier, as well for direct and indirect costs are too high and they actually brought one down last year and they brought it back up last year. One of the arguments we have is that if the government is not making the full pension payment for the State workers but you are giving us the full overhead factor, that number should be decreased because you are not making a full pension payment and I think that's why it went down from the year before. It's a shell game which they totally ignore any comments made and we've been consistent. Us and Ocean County have asked for a hearing and some of the other people dropped out. This is a fight that needs to be fought otherwise they are gouging everyone.

Chairman:

Chairman Merighi stated that on behalf of the Commissioners he wants to thank those employees that had a low use of sick time and that's a great thing for the Authority. Dennis stated that there is a second group that gets a letter that you have used too many hours for the next six months you have to bring a doctor's note for every sick day you take.

Perry asked if we have many of those. Carol Ricci stated that there were six letters. Perry asked out of how many staff and Dennis stated that we are at 48 staff members and it's excellent. We are proud of the folks who don't use the time. As we went through the interviews for the administrative clerical position, some people had higher management positions and this is somewhat entry level. They left the casino industry and they are looking at some place they can hang their hat for twenty years so if you look at the shelf out there, those are all twenty and twenty-five year or more employees who have gotten recognition here and have stayed and that's what we are looking for. They know that every morning when they get up they have a job and a pay check.

Chairman Merighi also stated that he wanted to make a comment on the Flint Michigan water situation, so if we think we don't have an important job and we don't deal with water from that end, we deal with it on the other end, we still have a very important job and we rely on the professionals that work here to keep the system running and running properly.

Dennis stated that the person who made the decision to save dollars didn't understand water chemistry and one water was hard and the other was not hard or much more aggressive. Just adding lime alone will make the water less aggressive or kind of corrosive. It sounds like they didn't do that and the water was somewhat aggressive. There is an index that you can measure how aggressive the water is and it starts leeching metal of the pipes, of the copper or solder or where this metal was deposited. People with wells replace their hot water heaters every seven or eight years whereas in a home you can go fifteen plus years. Well water is more aggressive and most people don't treat it and their copper pipes go faster. Septage has real high copper, zinc and lead numbers because their well water has been leeching out of their pipes and out of the joints where

it's soldered. If you have aggressive water it will eat your pipes and you are going to drink it.

Issues and Correspondence:

Dennis reported that we have proposals for work on Chestnut and they came in too high and now we are going out to advertise and do the bid process. We have started the documents so we can get the repair work done. We normally don't do laterals but our plan said there is a lateral and the people paid the connection fee to tie in to a lateral and it is not there.

It was moved by Barse and seconded by Villar that the Executive Director be authorized to advertise the Chestnut Avenue sewer line replacement and lateral installation between S.E. Boulevard and Sixth Street in accordance with the bid documents. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

The second item you received today which is our lab director, Les after twenty eight years has decided to retire at the end of February. Today we met with a team of people and we would move the current lab technician up and go out and hire a new lab tech and if we move fast enough we can put some ads out to the professional websites as well as the newspaper looking for someone with a biology and chemistry background. They don't necessarily have to have a degree but at least twelve credits in chemistry is what our job description is and get him here in one or two weeks with some overlap. Dennis stated that from a budget standpoint there will be some overlap but it will be a wash.

It was moved by Barse and seconded by Errickson that the Executive Director be authorized to advertise for a new lab technician with some overlap. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

Committee Reports:

Engineering/Plant:

Dennis reported that we have been discussing two bills with Hatch Mott MacDonald and the timing just happened that one came in last month and one just recently. We continue to work with them, give them comments on their information and eventually I have to get their numbers so we can sit down with financing. Also our guys have been doing a lot of work in house, updating the owner manuals we have and operation and maintenance manuals for all pumping stations. We are also putting them over into a digital format on disk and we are also taking a lot of our old plans and some of them go back to 1905, we are trying to scan them and put them on disk and bring a lot of our information to disk. We have drawers and drawers of paper but through use and otherwise we need more on an electronic format so we can read them that way. Eventually we would get a CAD reader and do everything electronically. The documents wear and fade over time. We have the original old style blue prints and those things are going on right now and a few small projects going on in house and getting specs together. We are getting vehicle specs

together and things along those lines. Also we are working on the things we want to purchase out of the proceeds when we do the borrowing. We will do that to cut the cost of an engineer when we can do them ourselves.

Budget/Finance:

Joe Reuben reported that Accounts Receivable decreased approximately \$375,113.00. The Authority continues to be affected by the economy and is keeping a close watch on its budget. Dennis stated that there are no other numbers since it's January. Tom is trying to close out the year end and making those adjustments of bills that we get in January that really belong in 2015.

Human Resources

Dennis reported that we interviewed eight or ten people for the accounts receivable position. We think that we have three that we like and we are checking references and evaluating them and hopefully by the end of this week we will make an offer for someone to come into that position.

There was something I gave the Human Resource Committee that we will bring back to the full Board for some people who deserve a look and everyone will get a copy of the memo we sent to the Human Resource Committee recently.

Public Relations:

We had a film crew here as part of the Receiving Station from the Department of Agriculture for a quick video he could put up during the statewide Ag Convention about this process and this is something that could be repeated multiple places around the State ideally not too close together because you compete with each other. The fellow who shot it just loved the environmental things. He wants to come back with his drone and do some aerial shots of the solar panels, the wind turbine, the farm, the bob white project and our forestry projects and he wants to do a little documentary. The short one that he is doing for Ag he shot some here and outside. It will show on Channel 2 or whatever. Steve Errickson stated that it's 22 here.

Insurance Committee:

Carol Ricci reported that she had nothing on insurance but next Monday we will be completing the last round of Hep B shots for those few people that have to finish out the round. Also we started the work on the annual physicals. Inspira has held the price again this year. Dennis asked how many years and Carol stated that it's probably six years without an increase. There is competition out there. Today I got a call from someone else that used to work for them and is now affiliated with Med Express. It's good to have a couple of companies. The property and casualty renewal will be starting in March.

Dennis stated that we have been putting a list together since we have been having some issues with the prescription plan with delays, doctors having to re-write prescriptions and within thirty days we may have to sit down and in June when we have to re-bid we will take that into consideration. If it's a simple prescription there are no issues such as blood pressure, Lipitor but some other drugs are taking longer and people are running out of medicine.

Allocations/Administration:

Dennis stated that our door is being knocked on by businesses, some higher flow with large connection fees. If the town gets going with their middle school, there's a connection fee there; the charter school that is in the same area on South Lincoln, the Planning and Zoning Board took action on that and it's another connection fee and other food processor and upper flow customers that could be pretty hefty connection fees if they come through. I can envision coming back to the Board with payment now or in six months which could be pretty good size. We done that before and certainly a precedent had been set on people that pay the large connection fees and they do it in a couple of installments. The don't get the final connection approval until the fees are all paid and it could be almost a year before they get their plans completed and construction done and actually be operating. A couple of them were very big ones which will be good for the budget.

Old Business: None

New Business: None

Adjournment:

At 6:29 p.m. there being no further business to come before the Board, it was moved by Reuben 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