

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
March 21, 2016

Pledge of Allegiance.

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

The proper notice was given to all members in accordance with the by-laws. Vice-Chairman Villar 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 Errickson and seconded by Barse that the reading of the minutes of the regular meeting held on March 7, 2016 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Barse, Reuben, Errickson and Villar 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 Errickson and seconded by Reuben that Resolution No. 2016-38, “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.....\$69,886.69”, be adopted. Roll call: Barse, Reuben, Errickson and Villar voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2016-39, “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...\$694,164.07”, be adopted. Roll call: Barse, Reuben, Errickson and Villar voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-40, “A Resolution of the Landis Sewerage Authority authorizing filling the position of Operations Foreman at the Agricultural site...” be adopted. Roll call: Barse, Reuben, Errickson and Villar voted “yes”.

Reports:

Executive Director

Dennis reported the dashboard from HomeServe up to 462 accounts and issued contracts with 425 accounts. We have more contracts than accounts because some accounts could have two. They could have the hot water heater plus the sewer line or they could also do the internal plumbing. We had a little hiccup last week with their plumber coming out to someone’s site but we got that straightened out and resolved.

We have had a lot of effort over the last three or four days dealing with trying to get a package together for the Local Finance Board for funding. We have been looking at a lot of alternatives and our financial folks are looking at different alternatives. It would have been nice if we could wait three years because we have some of the old bonds and old bond covenants and bond resolution and it is fairly restrained. So we are trying to work around that to look to see if they can put up possible ways to deal with that, such as the old bonds were at 5.65% and is to go out with perhaps even a taxable bond could be less to get them off and get rid of that. There is a lot of alternatives we are looking through but we are not going to make this Wednesday’s application. So we continue to work on that. We have a lot of smart people working on stuff in those areas for alternatives. Tom & I were looking at some other numbers too and they are working on their models, but as I said looking into that we may have to look at a \$10 rate increase. It may be \$10 and in 17 and \$10 and \$20. We would go from \$370 to \$380 to \$390. We are still in the less than \$400 range which everyone else around us has been way over for quite some time.

Dennis has been dealing with Steven’s office on a couple of personnel matters. We had a termination and we are working our way through the process. We had a meeting with Benecard last week to go through some of the issues we have been having on the prescription plan. So hopefully those things will be resolved. Carol will be talking on that a bit later.

We met with a group of contractual partners. They sell Insinkerators. The same people who make garbage disposals. They make a commercial size which is like a giant table with a giant garbage disposal with a pump that pumps it to a storage tank. In the produce section of a very large supermarket, when produce goes out of date and you can’t sell it anymore, the DEP is really pushing not to put that in a landfill. So with that process they would take it, grind it and put it in the tank and start fermenting for 7 to 14 days and then

look for a partner to receive that material. So I said we are here if you want to start marketing to people around whatever area in South Jersey or eastern Pennsylvania, we definitely are interested in that as a feed stock. We would charge them for delivery and it would go into our system and we would make energy and gas out of it. That was a very interesting meeting.

The guys from the Quail Project came in and gave us a very nice certificate of appreciation. Dennis will post on Facebook with Doug from the Quail Project.

In the next 30 days between now and the end of April, we are hoping to do a burn out in the forest with the forest fire service. This will get rid of the fuel now and controlled so it does not become worse when you have a forest fire and it also opens up some of the areas to get rid of the green briar that chokes the forest. These forests here are made to have a fire. Also where we planted the flowers last year all the seeds would be down in the ground and the fire would then burn off the top and open up so the seeds would come back and reestablish the area. So we are working with fishing game. Our forester thinks fires are necessary and should be done. So were are looking into that within the next 30 days.

Field Engineer

Robert A. Schwarz reported LSA contractor Garrison Enterprises replaced approximately 17' of pipe on East Chestnut Avenue and installed a new lateral for Urban Signs last week.

Air testing on the 8" lateral on Mill Road north of Garden Road was completed today and is satisfactory.

The contractor for the city performing work on Landis Avenue placed flow able fill in manhole and caused line to back-up in front of 519 E. Landis Avenue. The Authority hired contractor to correct condition and submit the invoice to the city. Contractor is to absorb costs for all work involved.

Bob attended a preconstruction meeting for Lincoln Avenue between Main Road & Butler Avenue. The work starts this week with 120 day timeframe for installing drainage during the first six to eight weeks and the milling and paving at the same elevation of the existing road.

Solicitor:

Steven Fabietti reported in addition to the personnel matters that Dennis referred to earlier, we are working with Dennis on requests for documents from the DEP that we will use as part of our briefing in the Appellate division case for the NJDEPS permit fee.

Chairman: No Report

Issues and Correspondence: No Report

Committee Reports:

Engineering/Plant:

Dennis has been dealing with phone calls and emails from our engineers for the future system. We're drilling down the numbers. We talked about removing the North Delsea Drive project and tried to get better numbers to tighten up the contingencies in case we hit unknowns. All these things resulted in the final number of piping of 21,500. We have issuance costs, capitalized interest over a period of time so we are looking at alternatives. Bond Counsel and our underwriters are working very hard. The existing bond resolution sometimes difficult to work with on how the flow of funds run through. When the money gets in the general fund you can't get it out. We've already refinanced the bonds. Do they have to be taxable? Our old rate was 5.65. There are a lot of alternatives to look at.

Budget/Finance:

Treasurer Joseph Reuben reported income is approximately \$64,357. or 3.8% over budget. Expenses are approximately \$9,610. or .6% over budget. Accounts receivables decreased approximately \$421,108. The Authority continues to be affected by the economy and is keeping a close watch on the budget.

Dennis stated our next billing will be sometime in mid-May for the June billing. As we run some of the models from the underwriter, our bond service that we currently had was not a steady payment like a mortgage. The bond service was a bell-shaped curve where in the middle it was \$1.8 million and we are now on the low side of \$1.2 million. The ideal is to get back to the \$1.3 million which has no impact on the budget. We're running twenty five and thirty year scenarios. You have this bond and you are replacing it with something of similar size but because of the bell-shaped curve we paid higher amounts earlier and lower amounts at this point in time. It ends up at \$1.5 million that would result in a \$10 increase. Those numbers will be looked at over the next thirty days. Our target is now May for the Local Finance Board meeting.

Human Resources

Dennis stated that we have a retirement luncheon on Wednesday for Hilde. We took action tonight for the Farm Foreman and we are moving one of the existing staff up, we have an opening for a farmworker and we are currently looking at filling that position. With Steve we had a discipline matter and a termination with one of the truck drivers at the farm.

The other folks that we've hired are doing well in their new positions.

Public Relations:

Dennis reported that we have several tours coming up. Rowan University will be here in April, Cumberland County Leadership will be here for a tour as well. Dennis stated that he is speaking at an event later in April for a program on low carbon energy which is taking food waste, composting it and other things to make energy. It will be at the Rutgers New Brunswick campus later this month. We also have a school that has not participated in our Earth Day Contest so you will see all of the kids and families in here next month.

Insurance Committee:

Carol Ricci reported that we are moving easily through the property and casualty renewal. At the last meeting it was mentioned that we are looking at a 2% to 3% rise in premiums and that is strictly with regard to replacement costs. Our loss ratios are excellent.

Allocations/Administration:

Dennis stated that we continue to have interest from different organizations. We are still working out our issues with the school. We have the charter school coming out on Pennsylvania Avenue. They have come before us with plans. They have no gym or cafeteria. Our normal package for capacity has both of those things in it. We told them this is what it would be but give us some information because they have built multiple schools all over the country so we can get something that truly fits.

We had a strange one though and there is a gentleman in the industrial park that called while we were at the conference. He built a plastic recycling facility in the industrial park and maybe not with all his permits and he is washing different plastics and it tends to be agricultural plastics. Instead of getting City water, he dug a trench and stuck a pump in it and he's pumping gravel around. Who knows what is in the water. So this is a mess to say the least. They had to get the plastics inside since they are not allowed to be outside. They have all of these containers that are partially washed and I guess he was just going to put it outside. We gave him a list of sampling: heavy metals, pesticides, herbicides, hydrocarbons. Who knows what's in it. Everyone was out there and they shut him down and now there is a list of what to sample for in the water before we can accept it. We'll figure how much it is and how much we will charge for it.

Old Business: None

New Business: None

Adjournment:

At 6:26 p.m. there being no further business to come before the Board, it was moved by Errickson and seconded by Barse that the meeting be adjourned. Roll call: Barse, Reuben, Errickson and Villar voted "yes".

THE LANDIS SEWERAGE AUTHORITY

G. STEVEN ERRICKSON, Secretary