

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
March 7, 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

It was moved by Errickson and seconded by Villar that the reading of the minutes of the regular meeting held on February 16, 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 Errickson and seconded by Reuben that Resolution No. 2016-29, “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.....\$109,652.69”, be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-30, “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....\$325,324.32”, be adopted. Roll call: Barse, Reuben, Errickson, Villar, and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben, that Resolution No. 2016-31, “A Resolution of the Landis Sewerage allocating sewerage capacity for Commercial Classification...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-32, “A Resolution of the Landis Sewerage Authority authorizing correction on credits, charge-offs, refunds and cancellation of accounts in the amount of \$363.95...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Villar that Resolution No. 2016-33, “A Resolution of the Landis Sewerage Authority authorizing the Executive Director to establish new compensation levels and entry level position compensation...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-34, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$15,108.84 to GHD, Inc. for project management meetings and preliminary engineering and design brief in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Villar that Resolution No. 2016-35, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$9,759.48 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, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-36, “A Resolution of the Landis Sewerage Authority making application to the Local Finance Board pursuant to N.J.S.A.40A:5A-6...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Dennis asked for a copy of the resolution and certification to send to bond counsel.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-37, “A Resolution of the Landis Sewerage Authority authorizing an alternate Method Contract with Cumberland Advisors/Cumberland Consulting to provide financial advisory services for LSA Bond...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Reports:

Executive Director

Dennis Palmer reported that in the last two weeks we had meetings with both the Engineering Construction Committee as well as the Finance Committee to deal with items in construction for the future project and also how do we finance it. We took action authorizing the application to the Local Finance Board. There is a deadline toward the end of this month, the 23rd or 24th, and then there is a meeting to get us on the April agenda. We would be represented by bond counsel and Dave will be there as well as me. The idea is how do we finance these improvements. You were given a long memo, many parts of the plan are 25 to 27 years old. It's the same with some of the capital equipment at the farm; the agators, the irrigation system go back even longer than that. They were here before the farm was being built around 1985. One of the big items with DEP and EPA is called Asset Management. Too many towns have not maintained their assets. I'm calling it project 2040 because that's the date of the City Master Plan and our Wastewater Management Plan which was approved in 2011 also goes to the same date. What do we need to keep our equipment up and running. Those meetings have been ongoing and we will be taking action over the next few months to effectuate it. One is this application and it's a big item.

The Earth Day Poster Contest notices went out. You received a dashboard on HomeServe so there are more people signing up. We have a company coming in next week called Insinkerator. They make garbage disposal units. They are making a large trash can for supermarkets to grind up out of date vegetable stock and other things of similar nature. In turn they are looking for partners and they have no one in South Jersey. They want to know who and where can this go to. We're going to have opening discussions for a bill. Bob Smith who is the Chairman of the Senate Environmental Committee, to mandate large food processing facilities, those that are above 50 tons a day or week or year to put something in to recycle, take those things out of the landfill and put them some place you can make energy. There are a lot of things coming together and that is next week.

We have some legal issues with Steve. We have a hauler who has been late and we are still working on that as well as a couple of other legal issues with Steve. We're talking about connection fees as well as the active duty deployed soldiers.

Field Engineer

Robert Schwarz reported that the Authority received application and plans for a charter school and food store on Pennsylvania Avenue and Landis Avenue respectively. LSA is currently providing comments.

The lateral for the proposed building on North Mill Road north of Garden Road was installed last week. Additional work is to be completed in the near future.

Chestnut Avenue improvements are scheduled for next week between South East Boulevard and Sixth Street.

A preconstruction meeting will be held next week at the County Engineer's Offices to discuss the paving of Lincoln Avenue between Main Road and Butler Avenue. LSA paved some of the road during the Burns Avenue sewer project.

Solicitor:

Steve Fabietti reported that as Dennis mentioned, we're in pursuit of a hauler that owes just over \$5,000 that made promise of payment and has not come through so far. We are still in court. If nothing further is done on his end we're going to pursue default judgment against him and we are able to do that on April 9th which is the date.

We have filed the appeal on the NJPDES permit fee which is now in the Appellate Division of the Superior Court. We filed the appeal, the State filed what is called a Case Information Statement which is their initial response required and now we are awaiting a briefing schedule from the Clerk's office. We may or may not be given a date to go to a mediation type meeting before it heats up further. We'll have to see if that's something the court orders or not.

As Dennis mentioned, there has been some research ongoing about different rate and connection fee issues.

Chairman: No Report

Issues and Correspondence:

Dennis Palmer reported that we met with the Engineering and Finance Committees to talk about multiple issues to talk about upcoming funding of infrastructure. Are there any questions after you have read the briefing memo? We looked at costs. There are 20 page reports besides the summary of dollar amounts of the things we are looking at. It's being driven by wear and tear at the plant. The headworks screws are worn, the screens are shot. We're trying to get a financing plan that makes common sense so we don't whipsaw the user rates. As we go forward and proceed with the application and meet with bond counsel and the underwriters, they have the ability to run multiple models for interest rates, payment schedules. We can do all of this work with a modest increase of \$10 to \$20 to the users. They will have the infrastructure available to take us out another 25 years or thereabouts. We have some capitalized interests that have to be added.

Meanwhile last week we were working on the numbers, talking to the engineers and our own folks about things we'd like to have and things we need to have. Some of the likes will not make it. The engineers have a very high contingency and we talked about cutting that back. Some projects that are not real high priorities but would be beneficial such as closing one of the pumping stations down we can keep towards the end. We can probably bring it in at a better price that is there but there are serious issues that need to be addressed. The aeration system will be much more efficient, save energy and perform better and meet permit limits. We are running on technology from the 60's and 70's. The technology we have was designed in the early 80's.

Our guys have done an excellent job keeping stuff that's 25 years running such as the gear boxes and 100 HP motors. Last year we ate our first gear box and motor; if one went it will be a short time before others might fail. There may be an aftermarket for people who have similar facilities who may want to buy the old motors. We've used govdeals.net to sell old trucks and equipment. It's much better than trade in value. We get a high value than just scrap metal. It will be hundreds of thousands of pounds of scrap. We've been planning this for quite some time and we have very good engineering firms that have done this all over the state and the country.

Committee Reports:

Engineering/Plant:

Dennis stated that the above was most of his report and we will continue this conversation for many months. We will have DEP permits to acquire and in some cases not. When you replace "in Kind" permits are not necessary. When it's extra capacity you need permits. Bar screens, the Archimedes screws and the clarifier drives do not need permits. The plant and aeration system will need permits. Some of the pumping stations will not need permits if we stay within the same pumping capacity. If we upgrade, yes. Sears is a major upgrade with a larger force main will need permits. Plum street would be a permit if we abandoned it. We will stagger it so we can do some of the inspection services and control the costs by us inspecting it.

Steve Errickson asked what pumps we were going with. Dennis replied he didn't know at this point. We bought one pump that was recommended and it worked great. It might be ABS. Then we went with two other pumping stations and they are working great as well. It's like a submersible pump that's made to run under water and it's sealed tight but has an oil casing around it which extracts the heat. If the station ever floods, it's made to run under water.

Tom Merighi stated that we're paying GHD and Hatch Mott MacDonald from the Construction Fund and that's from the 2040 project. Does that get reimbursed to us. Dennis stated yes. Tom has set this up and is tracking those expenses and we will be reimbursed so we can do ongoing capital items.

Budget/Finance: No Report

Human Resources

Dennis reported that we took action tonight effective March 7th for the two lab people. Mike has taken on the responsibilities of lab director signing off on his first vouchers. We start our entry level people at \$4 an hour less than other staff.

Public Relations:

Dennis reported that the letters went out for the poster contest. One of the schools had not done it for years, they have a new principal and they want to be involved. We have touched thousands of kids by going to every middle school for the last 20 years.

Insurance Committee:

Carol Ricci reported that she met with Bob English from Willis of NJ a couple of weeks ago to go over the property and casualty schedules. They are pretty constant right now, nothing will really change until we start making our improvements. We are looking at a 2-3% in P & C this year which is minimal and that is mostly comprised of replacement cost increases. You have to count the different endorsements you will put on during the year for vehicles and equipment which will add to the policy. We are also due for pollution liability renewal. It's a three year contract and a large premium. I don't know how the pricing will be but have not had any losses.

We have also had some people coming at us with wild insurance claims. Bob and Anthony have been working with me. They claim they hit manhole covers and they are driving low riders. We've actually gone to the Honda agency for specs on how high a 2006 vehicle should be which is 11" off the ground. This car was 5 1/4". She claims she hit the cover, cracked her windshield, airbags deployed, ripped off her muffler. Bob stated that he never heard of that situation before. There was another that accused us of doing work on Mill Road. She hit a manhole cover on Christmas Eve. We had no log in or complaints and we did not do any work in that area.

They need to provide a police report, damages, photographs, fill out a Title 59 form and until you do that and I turn it over to our insurers, I'm out of it. I get very skeptical. This last one was on Christmas Eve and she stated that we were doing work on Mill Road and we were not.

Dennis pointed to the picture on the wall of the Archimedes screws in the plant. We are looking at stainless steel because it resists corrosion. The problem is that the paint wears off from the sewage, hydrogen sulfide and sand and grit. We're going to do two, one on each side in stainless and one what we have with carbon steel to see the life and run time.

Allocations/Administration:

Dennis stated that there is definitely commercial interest. There are several applications we are looking at right now.

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 Villar and seconded by Reuben that the meeting be adjourned. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

THE LANDIS SEWERAGE AUTHORITY

G. STEVEN ERRICKSON, Secretary