

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
June 16, 2014

Pledge of Allegiance.

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

The proper notice was given to all members in accordance with the by-laws.

Chairman Silva 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 Secretary

It was moved by Villar and seconded by Errickson that the reading of the minutes of the regular meeting held on June 2, 2014 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Reuben, Villar, Errickson and Silva voted "yes".

The Chairman asked if there were any general public comments or comments on the proposed Resolutions. There were none.

Chairman Silva stated that before we move onto #6 which are the Resolutions, the Solicitor has to leave early so I would like to move Resolution No. 2014-77 first.

Resolutions:

It was moved by Villar and seconded by Errickson that Resolution No. 2014-77, "A Resolution of the Landis Sewerage Authority authorizing the exclusion of the public from a meeting between the Landis Sewerage Authority, its general counsel and administrative personnel to discuss litigation and related matters falling within the attorney client privilege..." be adopted. Roll call: Reuben, Villar, Errickson and Silva voted "yes".

At 6:02 it was moved by Villar and seconded by Errickson that the public be excluded from the regular meeting. Roll call: Reuben, Villar, Errickson and Silva voted "yes".

It was moved by Reuben and seconded by Villar that Resolution No. 2014-72, “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.....\$62,435.48”, be adopted. Roll call: Reuben, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Villar that Resolution No. 2014-73, “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....\$385,848.66”, be adopted. Roll call: Reuben, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-74, “A Resolution of the Landis Sewerage Authority authorizing corrections on credits, charge-offs, refunds and cancellation of accounts in the amount of \$1,465.84...” be adopted. Roll call: Reuben, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-75, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$125.49 to Hatch Mott MacDonald for Construction Services for the Burns Avenue Sanitary Sewer Extension in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2014-76, “A Resolution of the Landis Sewerage Authority authorizing a non-fair and open contract with Willis of NJ and Colson & Gosweiler Insurance and Financial Services to supply Property, General Liability, Commercial Auto, Inland Marine, Crime, Boiler and Machinery, Umbrella/Excess and Public Officials Liability Insurance in the amount of \$149,746.34...” be adopted. Roll call: Reuben, Villar, Errickson and Silva voted “yes”.

It was moved by Errickson and seconded by Villar that Resolution No. 2014-78, “A Resolution of the Landis Sewerage Authority authorizing the Executive Director to endorse NJDEP Permit Applications...” be adopted. Roll call: Reuben, Villar, Errickson and Silva voted “yes”.

Reports:

Executive Director

Segueing from that last resolution, we got the word, we had a conference call last week how the funds flow, how to submit vouchers, those kinds of things and that is the Manure Project to go. Something we have been working on for over four years and what it is the Department of Energy is the source of the funds to the NJ Department of Agricultural they will then reimburse us to put in a receiving station which is a concrete vault that has a mixer, chopper pump in it, a grinder before anything comes in with any other material

and 2 pumps that will slowly feed the material into the digester with some hot water piping and the idea is to take cow manure, also food processor waste and also fats, oils and grease from restaurants and food processors in town, our own grease that we have in the plant which we are currently paying about \$700. plus a load for transportation and disposal at least once a month and now twice a month. Right there alone is seven to ten thousand dollar year avoidance. The idea is also to look at a bigger generator at some point to get more electricity savings and also to have an income. Six or seven cents a gallon – pick some number we would have to go through a public hearing to set rates but to set a structure where we can take in food processor waste and fats, oils and grease and manure from farmers, and take in Progresso or any of the food processors that can crush the cans and give us the material and feed it into the tank and handle it. So it is really a neat process. Design teams have been working over the last couple of weeks putting a design together, pricing materials and working on specs. We will have authorization on issues and correspondence to start buying the pumps and equipment and machinery that we need to put this thing together. Probably once we have a hole in the ground and the concrete and some other things, the Department of Agriculture wants to do some sort of press conference on the site, maybe get the Secretary here to get some PR out of it. This can be a very interesting project as time goes on for both an income stream and cost avoidance for having more gas to make more electricity and hot water.

Last week with AEA, three of us went to the Assembly Environment and Solid Waste Committee to give testimony up there. A lot of it dealt with water and sewer infrastructure in the State and several pitches we talked about is how authorities are good and the best business models to provide these services, we can provide laser focus on DEP complex permits in compliance with regulations. The Department is very interested and concerned about maintaining infrastructure and we have made the pitch several times very clearly to all legislatures there how that 5% transfer is hurting the reinvestment in infrastructure in the State and that is something they may want to relook at.

Dennis spoke with someone last week and talked about Co-gen, how we spent a lot of money over the years in rebuilds. We are going into the third major rebuild and it has been expensive getting the parts from Germany for the maintenance. When we do generate more gas and we need a bigger unit. There is a company who does power purchase agreements on the Co-gen, where you don't put out any money, they put the generator in and do all the maintenance on it and you buy the power from them and usually they tend to be 15 – 20 year long term contracts. You buy power from them at a cost less then you currently pay from the electric utility.

There is no shared services on tomorrow night's agenda for the workshop so Dennis will not be attending.

Field Engineer

Bob Schwarz reported in reference to the Burns Avenue Sewer Project that the contractor has been working over the last two weeks to correct the condition in the steel casing under the Conrail right of way. He also reported the concrete apron on the Vertol

property was completed today. The contractor will be on site on Thursday, June 19, 2014 to clean lines and mandrel inside of pipes. Based on satisfactory work on Thursday, the project can be deemed as significantly completed. Final paving and clean up to be completed in August 2014. Letters can go out to the beneficial users in the project area.

Bob also reported that work continues on paving specifications, as well as North Mill Road and Gallagher Drive intersection.

Dandelion Plaza will be installing a force main under North Delsea Drive and connect to another force main at West Avenue and Wheat Road.

Bob also reported the construction of a new body shop is underway at Butler Road and South Delsea Drive.

Solicitor: No Report for open meeting.

Chairman: No Report

Issues and Correspondence:

We have two motions in which I am looking for action tonight. The first one is to authorize us to go out to bid for various pieces of equipment for the manure project. Some may come under the bid threshold and some we may not have to bid. We are still waiting for pricing to come in. The combination of all of the pumps will definitely go over the bid thresholds. We know there will be bidding for the pumps. The second motion, as Bob mentioned, we are working on our own set of specs and a contractor on hold to do paving and we need authorization to go out to bid for that.

It was moved by Errickson and seconded by Reuben that the Executive Director be authorized to advertise for bids for the two Moyno type positive displacement pumps, a chopper mixing pump, concrete vault and fiberglass covers. Roll call: Reuben, Villar, Errickson and Silva voted "yes".

It was moved by Errickson and seconded by Reuben that the Executive Director be authorized to advertise for bids for paving and road repairs. Roll call: Reuben, Villar, Errickson and Silva voted "yes".

Committee Reports:

Engineering/Plant

Dennis stated that most of what we talked about is the manure project with a receiving station. We did a design to work with as a basis for the design, we applied for the NJPDES Discharge Permit. We have that completed and that is already into Trenton. We are working right now on the TWA which is the permit to build the facility. Letters went

out today that are required for that program. The application forms are filled out and we still have to prepare the specs and the plans for that.

Budget/Finance

Joseph Reuben reported that income is approximately \$240,434 or 6.01% over budget. Expenses are approximately \$10,943 or .27% under budget. Accounts receivables increased approximately \$1,104,661 due to the June billing of Cycle A and M accounts. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Human Resources

Dennis reported that most of the folks that we hired recently have completed their 45 or 90 day probationary period.

Public Relations: No Report

Insurance Committee:

The letter that I sent out in your packets is pretty self-explanatory. We had a lot of denials – too much coverage and not enough premium from most of the insurance companies, a lot of them are not used to bidding public utilities. There are very few companies that are used to our style of business. National Insurance Fund wanted to quote us but they didn't get their numbers in on time. We had a rise in the premium and that was solely due to the increase in replacement values of all the equipment and buildings. It was up \$20 million and even so, the insurance premium really didn't go up that much but we found a way to get around that increase even though we still had an increase. Glatfelter likes to insure at 100% of coverage. 100% coverage is only good if the whole plant was destroyed. So we decided to go with 90% coinsurance, meaning if we have a building that is worth \$5 million in replacement and something happens to that building, you are going to get the \$5 million – the 100% only pertains to the entire plant going down. So that saved about \$5,000 or \$6,000. We had reduced the computer values from 2.5 million to 1.5 million. We picked up another \$600 there. We did not have to rebid pollution liability insurance – that is not due for another two years and that premium is paid in full. The P & O Policy only had a \$300 increase in the premium and after discussing it with our agents and Dennis we thought it would really be a good idea to stick with Darwin, our current insurer, in case we have any other issues hanging out there. We are in the middle of something and if something happens after that, we might not be covered with a new company. With all that in mind, we put through the Resolution tonight for Glatfelter to handle it, even though we had a little issue with an adjuster but they seem to be doing a pretty good job and they're the incumbent.

Allocations/Administration

Dennis stated that there is nothing on homes and a little commercial activity.

Old Business: None

New Business: None

Adjournment:

At 6:39 p.m. there being no further business to come before the Board, it was moved by Errickson and seconded by Villar that the meeting be adjourned. Roll call: Reuben, Villar, Errickson and Silva voted “yes”.

THE LANDIS SEWERAGE AUTHORITY

CARLOS VILLAR, Secretary