

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
December 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, 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 Reuben that the reading of the minutes of the regular meeting held on December 5, 2016 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Barse, Reuben, Errickson and Merighi voted “yes”. Villar abstained.

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. 2016-135, “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.....\$65,428.53”, be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-136, “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...\$204,905.60”, be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-137, “A Resolution of the Landis Sewerage Authority listing payments from the 2016 Bond Issue Construction Fund adopted July 5, 2016...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2016-138, “A Resolution of the Landis Sewerage Authority authorizing a contract with Harris Computer Systems to provide software support services...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2016-139, “A Resolution of the Landis Sewerage Authority authorizing an alternate method contract with New Jersey Manufacturer’s Insurance Company to supply Worker’s Compensation Insurance...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-140, “A Resolution of the Landis Sewerage Authority authorizing a contract for an Employee Assistant/Alcoholism Program with the Southwest Council...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-141, “A Resolution of the Landis Sewerage Authority adopting the Landis Sewerage Authority for the fiscal year period January 1, 2017 through December 31, 2017...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Reports:

Executive Director

Dennis Palmer reported that today we had a tour from CCIA. We continue to do shared services such as trash removal and we start vehicles next month. It was mostly the finance people, accounts payable and receivable plus the fellow that runs the vehicle portion. We gave them a tour of the plant, the farm and explained what we are doing. Shared Services is the future for public agencies and where we can save money for our respective organizations.

I attended a public hearing at DEP last week. They have some new rules regarding capacity at treatment plants when sewer bans were being imposed, upgrades and those kinds of things. We tried to bring them some practical things that we do. What’s more interesting was some of the rules they were changing were some that I actually wrote in 1983.

There was a personnel matter I dealt with Steve. We are working on four items for purchase which will actually be in the engineering report: a jet vac truck, a TV unit, a vacuum truck and we are also working on the center point irrigation system at the farm and get them out to bid now so they can be awarded and installed when we really need them to start irrigating around May 1st. Also our plant engineer has to work on the well at the farm so we can get it out to bid, have it installed and up and running by the time planting season starts.

We got information back from the State and they had some questions, we answered them. One was an intriguing and disingenuous question. We show in our net position in GASB 62 that you have to talk about the outstanding deficit you have dealing with your pension system. They ask the question how do you plan to handle this. They created it not us. The answer is we will pay our normal payment to the pension fund and evaluate it as the State goes through and evaluates the system. It feels like a set up and all of us in the outside world feel that it's a set up. At some time the State is going to look for people to fund the arrears that are in the pension system and they are bringing it up now that your net position is negative and it's a Catch 22. We will make our payments, monitor our position and deal with our budget as we go into the future.

We received the approval on the budget and that was the last item we took action on tonight.

Chairman Merighi asked if that's where the questions came from. Dennis stated that there were a couple of line items that Tom had to address and how the numbers got to where they were and Tom handled it with an email. They came back with this last issue and we gave them some sample wording that other Authorities used. They were happy with it. We've been paying our share long before than the State. We had some holiday time and then it was 20, 40, 60, 80% then the full boat. We've been paying the full boat for a long time and the State has not since the second year of McGreevy's term. Perry stated that the graduated part started in the budget year 2005. Dennis stated that we've been paying it since 2005 and the full amount since 2010. I think the bill passed and the Governor may have signed it that it was going to be quarterly payments by the state so maybe we will be doing quarterly payments. Normally we do a real big payment in the early part of the year and that's why our P & L shows that administrative costs are in arrears until we work our way through the months and we come back up.

Field Engineer

Bob Schwarz reported that we had a major back up in the area of Sixth and Elmer Streets where the Amish Market is located. They called about a back-up in the basement area. Our men worked in extremely cold conditions throughout the night to resolve the problem after regular work hours. We also helped the City clean out the basement of the Amish Market as much as possible to get it to a point where it could be cleaned and sanitized down the road in the future. These instances occur because of the cold weather conditions and the people ignore and discharge grease down their sinks and they

cumulatively cause a problem and it's a problem on the overall system. It was a major undertaking for our guys.

Tom Merighi asked if it was residential grease and Bob replied that 95% of it was. There are a few establishments down the line but the main source is residential.

Dennis stated that none of the building was protected with check valves for below grade fixtures. Our guys did a great job. They worked until three in the morning getting the street opened and until seven in the morning working on the building getting it down to where you could see some concrete. We told Sandy Forsisky that the City has to get someone in there to get rid of the trash and it will probably take a 20 yard dumpster. When it's done we'll have ServePro come in clean it. We're not doing anymore. When we get a call back that the trash is out we'll have it sanitized. CCIA told me today that they get calls that someone calls that they have a 55 gallon drum of fryer grease and I told him that we'd take it. We'll put it in the receiving station at eight cents a gallon and we'll make methane out of it and show them the right way to get rid of the grease.

Solicitor:

Steve Fabietti stated that today he received the State's brief in our Appellate Division case on the NJPDES permit fee appeal. He also stated that he had not gone through it completely but he gave Dennis a copy. In essence, based on the bullet points, the State takes the position that there's a regulation that dictates how the formula fee is calculated. They have taken the position that our argument is that they think we're challenging the regulation and the formula when we are really not doing that. We are challenging their calculations under the formula or their failure to do calculations. That's the big picture. We have a lot to go through in detail. We can file a reply brief to have the last say which we will do. Dennis and I will get together on that.

Chairman: No Report

Issues and Correspondence: None

Committee Reports:

Engineering/Plant:

Engineering has been quiet. As I said we have been working in house on specs and or looking website documents of those joint purchasing things that we joined to see what we can buy that's under that system. It should be a better price because it's quantities of scale because they are selling to a lot of public agencies.

Budget/Finance:

Joe Reuben reported that income is approximately \$770,813 or 8.3% over budget. Expenses are approximately \$406,341 or 4.5% under budget. Accounts receivables

increased approximately \$708,232. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Dennis added that it's on an accrual basis so its money billed but not yet in so it's not as rosy as it appears. We have one proposal in for credit cards and we are trying to at least get a second one so we have two for quoting purposes. I don't see that being a big market in the beginning but the goal is an alternative for those who are on the tax sale. They owe us money and if you can't come up with whatever you owe, you can put it on your credit card and deal with a payment plan with your credit card. If you do it timely, your name won't be in the newspaper and you won't go to tax sale and you won't have someone with a lien on your property. It's another alternative for our customers to pay.

Human Resources: None

Public Relations:

Dennis stated that he is expecting the charging stations in about 6 to 8 weeks and when we get delivery and install them we will do a press release that we have an electric charging station for customers and our own employees.

Insurance Committee:

Carol Ricci stated that we took action on the New Jersey Manufacturer's Policy. We had a little bit of a surprise when we received the numbers. We had no idea that there was no other claim waiting for us with a \$145,000 reserve set aside. Also there was a re-opener from an individual from the past and it drove up the experience mod. There was nothing we could do about it. The other claim with the reserve was unknown to us. We had a letter from NJM that it was not a compensable claim and then all of a sudden there was this claim. We stated our position that we were not happy with NJM. Our agents were just as surprised as us and no one notified us. Also our payrolls were up because of special projects. Those two claims were really the driving force behind the experience mod going up.

We are also trying to get a quote from our new marketing manager from Inspira for the annual physicals. I've emailed three times in ten days because of the DOT physicals coming up in the beginning of February. The schedule needs to be set up, a resolution passed and a contract signed.

Tom Merighi asked if that rate would be in effect for three years and Carol Ricci replied not necessarily. It depends on if it is deemed a non-compensable claim. Tom asked if it was a law suit and Carol replied yes, the claimant has hired an attorney. If the claimant comes to me for help with the claim I have to refer him to his attorney. I'm out of it.

Allocations/Administration: None

Old Business: None

New Business: None

Adjournment:

At 6:22 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

G. STEVEN ERRICKSON, Secretary