

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
November 5, 2012

Pledge of Allegiance.

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

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

Chairman Gana 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
Nicole Curio	Solicitor
Carol A. Ricci	Executive Secretary

It was moved by Silva and seconded by Lewis that the reading of the minutes of the regular meeting held on October 15, 2012 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Lewis, Merighi, Silva and Gana 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 Silva and seconded by Lewis that resolution no. 2012-169, “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.....\$98,189.70”, be adopted. Roll call: Lewis, Merighi, Silva and Gana voted “yes.”

It was moved by Silva and seconded by Lewis that resolution no. 2012-170, “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.... \$179,666.37”, be adopted. Roll call: Lewis, Merighi, Silva and Gana voted “yes.”

It was moved by Silva and seconded by Lewis that resolution no. 2012-171, “A resolution of the Landis Sewerage Authority authorizing payment from the construction fund of certain costs of the system in the amount of \$252.80 to CET Engineering Services for Wastewater Treatment Plant re-rate services from 8/18/12 through 9/21/2012 in accordance with the provisions of the Authority’s general bond resolution...” be adopted. Roll call: Lewis, Merighi, Silva and Gana voted “yes.”

It was moved by Silva and seconded by Lewis that resolution no. 2012-172, “A resolution of the Landis Sewerage Authority authorizing payment from the construction fund of certain costs of the system in the amount of \$4,199.72 to Ted Kingston, Inc. for a two-way radio system, state contract #A53764 in accordance with the provisions of the Authority’s General bond resolution...” be adopted. Roll call: Lewis, Merighi, Silva and Gana voted “yes.”

It was moved by Silva and seconded by Lewis that resolution no. 2012-173, “A resolution of the Landis Sewerage Authority authorizing payment from the construction fund of certain costs of the system in the amount of \$25,261.00 to Winner Ford for 2012 Ford F450 Cab and Chassis under state contract #A78843 in accordance with the provisions of the Authority’s general bond resolution...” be adopted. Roll call: Lewis, Merighi, Silva and Gana voted “yes.”

It was moved by Silva and seconded by Lewis that resolution no. 2012-174, “A resolution of the Landis Sewerage Authority authorizing correction on credits, charge-offs, refunds and cancellation of accounts in the amount of \$809.23...” be adopted. Roll call: Lewis, Merighi, Silva and Gana voted “yes.”

It was moved by Silva and seconded by Lewis that Resolution No. 2012-175, “A resolution of the Landis Sewerage Authority authorizing a contract with Quality Motors, Inc. for vehicle services in the amount of \$15,401.81...” be adopted. Roll call: Lewis, Merighi, Silva and Gana voted “yes.”

It was moved by Silva and seconded by Lewis that resolution no. 2012-176, “A resolution of the Landis Sewerage Authority authorizing payment from the construction fund of certain costs of the system in the amount of \$4,920.44 to Certa Pro Painters for painting of primary effluent pumping station in accordance with the provisions of the Authority’s general bond resolution...” be adopted. Roll call: Lewis, Merighi, Silva and Gana voted “yes.”

REPORTS

Executive Director

Dennis Palmer passed corn harvested from the agricultural site to the commissioners. All of the corn had to be picked prior to the hurricane. Dennis also presented a photograph of the truck with the corn stating that it held about 1100 bushels at around \$7 a bushel totaling about \$7,000 in addition to some smaller trucks.

Dennis reported that the staff did an excellent job coming through the hurricane having been through the “derecho” in June. We were pre-positioned to be able to handle issues that may arise keeping one generator out in the field, some staff took trucks home so they would be able to come out immediately without changing trucks during the storm. We came through the storm fine with a few high water alarms. Dennis also stated that he attended three emergency management meetings that the City held on Sunday, Monday and Tuesday. The City came through just fine but fellow Authorities in the state suffered serious problems. They are in need of generators; we have two but we are reluctant to lend them out since we are going to be experiencing a Northeaster as we may need it ourselves.

For action at our next meeting, Dennis reported that the County is forming their wastewater management plan; we were ahead of them. They are completing theirs for Millville, Bridgeton and other areas. They need to pass a resolution as we have, endorsing their plan before they can go to DEP and that must come from the other towns in the area. Our plan will be a part of their plan. They are about two years behind us and at the next meeting we will pass a resolution.

Franklin Township has a request for proposal for engineers to layout a subdivision at the Meredith Farms plant and they want to develop it as a food processing center with five or six lots and streets. The engineer would do that work and the permitting that is associated with it. Dennis sent them a letter with comments designing for 350,000 gallons a day, but in the litigation for affordable housing, they had transferred 150,000 gallons from the 350,000 but they never picked that up in the RFP. Dennis stated that he spoke with two of the engineers working on the project to make them aware there is only 200,000 available. They were interested in our pre-treatment standards.

Two representatives from CET Engineering and the hydrogeologists were here last week for a tour of the facilities as they are working on our report for additional capacity. We had three bidders for the vehicle services contract and the low bidder was Quality Motors, Inc. cutting \$5 from their hourly rate.

Field Engineer

Robert Schwarz reported that the contractor for the Boro trunk line has been working at the shore due to Hurricane Sandy and will be on site within the next two weeks to complete the final paving.

Park Avenue paving is complete and manholes have been replaced as required. There will be a pre-construction meeting at the county engineer's office for South Brewster Road. Bob stated that he will address the pre-construction details at the next meeting.

We performed emergency work at a duplex at 1110 E. Landis Avenue last week and the problem was resolved at the curb area. Bob also reported that the contractor for 301 W. Chestnut Avenue will be performing remainder of punch list in the near future.

Chairman Gana stated that the City has committed \$11,000,000 to the repaving of roads around the City. Bob stated that there are ten other roads being worked on now but the Park Avenue needed attention.

Solicitor

No Report

Chairman

Chairman Gana addressed the letter from the City of Vineland Tax Assessor, Carmen DiGiorgio requesting a payment of \$50,000. Chairman Gana deferred to Dennis Palmer to explain the situation. The Authority, unlike a business who has customers in many areas, generates its revenue from inside the City. The only way the Authority can transfer funds to the City is by over charging the customers we have and raising more funds than needed for a budget to effectuate a transfer. In 2009, 2010 and 2011 we had issues meeting our bond coverage so how could we transfer funds if you are not meeting the covenants required by your bonds? We had a series of rate increases in 2009, 2010 and 2011 which brought us up to funding and we were more aggressive in pursuing non-paying customers. We did meet coverage in 2012. Essentially, you are taking money from the folks from the center of town to support taxes for the folks that don't even have sewer service. It's a policy decision of the Board on how to proceed with this. The water and electric utility do transfer funds in the amount of \$5,241,000. These departments are part of the City and the City backs the full faith and credit of their bonds. While they bear the responsibility and exposure to that, they should also bear some of the benefits.

The City does not back the Authority's bonds. Many towns have a refunding agreement or a deficiency agreement that if the Authority doesn't raise enough money, the town would then pay the money and you would have to raise your rates to cover it. It's called a deficiency agreement. The Authority has never had that agreement since it started back in

the 40's when the City was merged. At that time, they thought the Authority was financially weak and they did not want to take on that responsibility and we never had the deficiency agreement or that connection to the bonds. In the bigger financial picture, the Authority bears all of the responsibility for its bonds and its borrowing.

Chairman Gana stated that the council and the city are not involved in any way and the Authority does that independently and their request for \$50,000 would really be double taxation. We would be taxing the people twice which is very unfair, so the request from Mr. DiGiorgio and City Council should not be granted. Chairman Gana stated that we should not tax the taxpayer two times and it is unfair. Jose Silva stated that they have no legal authority to demand that payment, only to request it. Mr. Silva requested a motion stating that we would not honor the City's request for \$50,000. Tom Merighi asked if this had been discussed earlier in the year and Dennis stated that it was talked about in audit and budget meetings. Dennis stated that he would put together a letter and discuss it with Chairman Gana prior to our next meeting. NJ statutes created the Authorities in the 1940's, the law specifically stated that Authorities are exempt from local property and purpose taxes. Steve Lewis had spoken to council regarding the electric utility giving \$5,000,000 a year and Mr. Lewis's opinion is that it is a hidden tax in that if they can give the City \$5,000,000, they can cut their rates even more and that pertains to water also since they are tied in with the electric utility. Mr. Lewis stated if we have an extra \$50,000 he would much rather see it spent here, making improvements so that if we have a problem, we're covered. Dennis also stated that if we had to go out for bonds, we would have to pay all of the soft costs such as issuance, underwriter fees, bond insurance and all of that ends up being paid by the rate payers at some point. The Department of Community Affairs said that Authorities should be run like business and we should have a reserve. Dennis stated that we rarely have a need for police or fire, we snow plow our street, we pay for trash removal and water. We do not have leaf collection or recyclables. We take care of our own problems. We do pay money to licenses and inspections and the tax office for help at the tax sale. What the City does not realize now is that when the sewer system was tied in in 1989, there was a five year abeyance where the City did not pay any sewer charges at all for all of the municipal buildings including city hall. That was done in 1994 and that time has elapsed. The chairman asked for a second to Mr. Silva's motion that we not pay the city \$50,000 and it was seconded by Steve Lewis. Roll call: Lewis, Merighi, Silva and Gana voted "yes."

Issues and Correspondence

Dennis stated that the letter from the City was the only issue.

COMMITTEE REPORTS

Engineering/Plant

Dennis met with the engineer for the Magic Sports facility along with our Field Engineer, Bob Schwarz and Allocation Coordinator, Jennifer Ketcham. We talked about some ideas regarding costs and how to tie the system into ours. Dennis said that he spoke to Joe Isabella on this date and talked to him about their ideas to bring some of the costs down and he will follow-up with him. The Chairman stated that if this project moves forward, it would be a great asset for the City. Bob Schwarz stated that they are going before the Zoning Board on November 28, 2012 and that it will be a key meeting. Chairman Gana stated that they were turned down in Mays Landing because of the traffic problem but the Vineland location is excellent for them. Dennis stated that they are looking for a height variance, not a use variance.

Budget/Finance

No Report

Human Resources

No Report

Public Relations

Dennis reported that he sent an article to the Grapevine and the Daily Journal regarding our award.

Insurance Committee

No Report

Allocations/Administration

No Report

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 Silva and seconded by Lewis that the meeting be adjourned. Roll call: Lewis, Merighi, Silva and Gana voted “yes.”

THE LANDIS SEWERAGE AUTHORITY

JOSE SILVA, JR., SECRETARY