

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
December 15, 2014

Pledge of Allegiance.

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

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

Vice-Chairman Errickson 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
Robert DeSanto	Solicitor
Carol A. Ricci	Executive Secretary

It was moved by Merighi and seconded by Villar that the reading of the minutes of the regular meeting held on December 1, 2014 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Reuben, Merighi, 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.

Resolutions:

It was moved by Reuben and seconded by Villar that Resolution No. 2014-156, “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.....\$67,049.55”, be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-157, “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. ...\$258,080.05”, be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-158, “A Resolution of the Landis Sewerage Authority authorizing a non-fair and open contract with New Jersey Manufacturer’s Insurance to supply Worker’s Compensation Insurance in the amount of \$159,510.00...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-159, “A Resolution of the Landis Sewerage Authority authorizing Unit Municipal Purchasing pursuant to N.J.S.A. 40A:11-12 under the State contracting procedures...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-160, “A Resolution of the Landis Sewerage Authority authorizing raises to Management and non-bargaining personnel...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Merighi that Resolution No. 2014-161, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$7,000 to Bernal Mechanical Contractors to furnish and install approximately 125 feet of 2 inch T & C pipe from hot water supply and return to east wall in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-162, “A Resolution of the Landis Sewerage Authority authorizing a contract with Action Hyundai for vehicle services in the amount of \$18,426.82...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-163, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$3,323.38 to Garrison Enterprise for emergency repair to sinkhole at SE Boulevard on August 24, 2014 in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-164, “A Resolution of the Landis Sewerage Authority authorizing payment and transfer of funds to the City of Vineland for capital and infrastructure projects...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-165, “A Resolution of the Landis Sewerage Authority authorizing the approval of 2014 Budget Modifications...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-166, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction fund of certain costs of the system in the amount of \$17,838.00 to Final Touch Paving LLC for calculation difference on Clover Avenue paving and road extension at front gate and installation of asphalt platform in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-167, “A Resolution of the Landis Sewerage Authority authorizing correction on credits, charge-offs, refunds and cancellation of accounts in the amount of \$972.74...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-168, “A Resolution of the Landis Sewerage Authority directing the Authority’s Trustee, the Bank of New York Mellon (NJ) to reimburse the Authority’s Operating Fund from the Construction Fund in the amount of \$200,000 for costs paid out of the Operating Fund related to the construction of a capital asset called the Receiving Station...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-169, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$6,393.82 to Wallace Supply Co. for piping materials for the Receiving Station in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-170, “A Resolution of the Landis Sewerage Authority authorizing a contract for an Employee Assistance Program with Southwest Council, Inc....” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

It was moved by Reuben and seconded by Villar that Resolution No. 2014-171, “A Resolution of the Landis Sewerage Authority authorizing the adoption of the Budget of the Landis Sewerage Authority for the fiscal year period of January 1, 2015 through December 31, 2015...” be adopted. Roll call: Reuben, Merighi, Villar and Errickson voted “yes”.

Executive Director

Dennis Palmer reported that there was a report from the Finance Committee in your packets and it still needs to be more focused. To get an idea from David Kotok on a future bond, both bond counsel and our counsel will work on it at some point. The best

way we discussed as we approach this is to do a three year temporary note, capitalize all of the interest and payments in the bond and not pay anything for three years; roll that over to a permanent financing at the end of 2018 going into 2019 and at that same time our existing bonds will be done and we won't be paying principal interest on them anymore. The idea is to make improvements to our system, called capital assets and capital assets plan, to last another 25 to 40 years to improve efficiencies in the plant, upgrade some of the pumping stations. We want to identify some projects that could provide economic growth. There are some large capital pieces of equipment. We need a new jet truck, a new TV camera and at the farm there are is some equipment to be identified as well. We also have to work on getting engineers on board to support our numbers for a bond offering. All of these things are needed since the plant is 25 plus years old. The collection system goes back to 1905 and a lot of things were constructed in the 60's and 70's. The Sears force main is a big ticket item that will have to be made bigger to handle more flow and the pipeline right downstream from that on West Avenue has always had root problems and its old terracotta pipe which should be replaced with new plastic pipe to keep tree roots out. If we are successful with FEMA, we bought two generators last year and two more are coming up, one of things we identified is more generators for the pumping stations. In the plant we want to do some upgrades to the aeration system which is very old from 1970's and the plant was built in the 80's. Technology for surface mixers, you go to fine bubble diffusers and the electricity drops down tremendously and you have better control and you won't lose as much heat and the plant performs much better. These things all add up to long term savings and while they are all needed we don't want to whipsaw our customers with a big mortgage and then come down when the other is paid off. We want to time it so one falls off as the new one comes in.

Coming into the new year we will need to retain bond counsel and they will give us a reimbursement resolution that as we pay money for engineering and any permits, before the bond is issued we get reimbursed by the bond and it puts money back into a renewal and replacement fund. We think this is a prudent way to move forward. We also kicked around some other things resulting in some year-end resolutions to make adjustments and also adopt a budget.

It was exciting for the startup of the receiving station. Friday we filled it with water, we started several different pumps and we pumped through the lines to make sure everything was tight. The hot water heat exchanger and the hot water loop out in the tank worked well and we ran it overnight and we got it up to 140 degrees in the tank. We had also insulated the concrete from the soil and it was still at 90 or so after being shut down on Saturday morning until today. I am really happy and proud of all of the guys and the work that they did; the mechanical and electrical guys and they did a lot of work and got a lot done in about 8 weeks. We're working on getting our money back from the State as well.

Dennis also reported that North American Power Partners came out as well and we are looking at how we can save costs with electrical issues. Last week there was the special

needs party at Rotary which is one of my favorite things at Mennies School with a couple hundred children with snacks, Santa comes, stuffing stockings. It's a nice event.

Dennis stated that he will be going to City Council workshop tomorrow night and I will ask the Commissioners on the Shared Services Committee if they want to present it as well, which is the check for \$50,000 to Council President and make the point that while council can use it for different capital needs and it is directed for capital needs, one of those issues was sidewalks. It came up a couple of weeks ago when we had the joint meeting. We are going to show the goodwill and intent of the Shared Services Agreement for this year and it is also captioned that it is for this year.

The first week in December, this was 19 years in the making, the NJPDES permit was another year in the making, this eventually became that publication in the NJ Register and this was about 90 days in the making. As of December 3rd, we are officially a 10.2 million gallon plant. We have 2 million more gallons of capacity that be used for economic growth, development, permits and capacity for economic activity in the City. We are ahead of the game whenever the economy breaks loose that we have the capacity and hopefully somebody comes. With that said, this is the last permit that came through and we actually did some of that in house. When I first came here in 1993 we submitted the first plan and Bob Brewer and I believe it was in July of 1996, we were told by DEP we know the plan has been in here for a long time, we haven't looked at it and we know things have changed because we put on Petticoat Pump Station, the mall's treatment plant came off line, K-Mart lost their large septic bed and they all became part of our system. We want you to upgrade and update the plan which we then got caught in that cycle for almost, a lot of years; 15 years of new regulations coming out and they held one of our letters until they adopted new regulations. We were also the only facility in Cumberland County that has an approved plan, and that was keeping the foot to the pedal and keeping our engineers on it and confronting DEP on why they kept delaying or changing the rules and we finally got it adopted. We are officially 10.2 million gallons of capacity and hopefully the City will put in the new well and they will have their capacity as well on the water side. We'll do the letter on behalf of the Commissioners to May and Council saying that we are ahead of the economic curve and hopefully when the days comes there is capacity here and we do want to put some pipelines out.

Tom Merighi asked what that relates to in business. Is that a Progresso or 10 Progresso's? Dennis responded that 10 million would be three Progresso's or 20 malls. Once you leave Progresso you drop down in capacity. B & B Poultry is 100,000 gallons a day. This is 2 million gallons here a day. The hospital is actually climbing and that is about 100,000 per day because of the new wings they have added. The City Master Plan goes to 2040 and it was 10.75, we're not quite there. Its 20-25 years plus of growth. That's based on lots being filled and homes being built. Tom Merighi asked if that was without changing anything in the plant and Dennis responded yes, the capacity is there now.

Field Engineer

Bob Schwarz reported that a manhole at SE Boulevard between Grape Street and Elmer will be repaired this week. Bob also stated that we are working with design engineers for COV for the work on Landis Avenue between East Avenue and Myrtle Street to have the manholes replaced if necessary prior to paving the road surface. LSA will provide the manholes and the City contractor will perform the work.

We still have not had a response from T & W Construction Co. for the work performed at Mill Road and Gallagher Drive.

The Burns Avenue project is closed out with the exception of the maintenance bonds.

Solicitor: No Report

Chairman:

Vice Chairman Errickson stated that Jose Silva resigned and turned in his letter of resignation. He will be finished December 31st officially. He's opening up a new office in Vineland on Wood Street and he's working 6-7 days a week between his law practice and remodeling his new office. We will miss him and he was very dedicated to this position. He was a great guy to work with and I made a new friend by him being here and I will miss him as will everyone. We wish him well.

Steve also stated that the guys working on the project out here that is really great when you can do big projects in house. It had to save LSA a lot of money and it turned out great. I was out there talking to the guys and they seem really enthusiastic about it. Just wanted to comment how great that is that we can do things in house and to say thank you to everyone.

Issues and Correspondence: None

Committee Reports:

Engineering/Plant

Dennis stated that in the early part of the second quarter to solicit engineering proposals to start fine tuning of the costs that we are looking for the bond. Part of the bonding process is the engineers have to give you a report certifying what they think is the value of the project plus their costs and expenses.

Dennis stated that he is also working on the air pollution permit for the bio filter for the receiving station.

Budget/Finance

Dennis stated that tonight we adopted the Budget. Tom Merighi reported that income is approximately \$798,529 or 9.08% over budget and expenses are approximately \$134,304 or 1.53% under budget. Accounts receivables increased approximately \$2,011,711 due to the December billing of Cycle "A" accounts. The Authority continues to be affected by the economy and is keeping a close watch on its budgets.

Human Resources: None

Public Relations:

Dennis stated that he hopes there will be a story after we drop off the check tomorrow night. We support children going to school safely and part of that is that the City and the School Board ought to recognize that.

Tom Merighi asked if the 10.2 million capacity newsworthy? Dennis stated that that is his next press release. They had done stories in the past about it but I want to talk about capacity and recognize that Kathy Hicks helped a lot. We worked as a tag team with DEP so that's a story we need to get out there.

Tom Merighi stated that as people research on the internet, if they look at Vineland and sewer capacity and that story pops up it would be a great thing. Dennis stated that a survey was just done that Buena, Bridgeton and Millville's rates are almost \$100 higher than ours a year. Out connection fees are very competitive as well.

Insurance Committee:

Carol Ricci reported that the 1% increase in the New Jersey Manufacturer's Worker's Comp coverage was due solely to a slight uptick in the experience mod and additional payrolls. However NJM was very generous in allowing a 15% discount which will not be realized until we start payment for the 2016 premium. This year we will feel the effects of the 8-10% discount at the end of 2013 as we pay our premium in 2015.

Allocations/Administration: None

Old Business:

Dennis stated that this plan started in December of 1992 and I find irony that it's December of 2014 that we finally finished. This pile here, our permits applications and reports which is approximately \$150,000 worth of work over the years, engineering reports also. It's nice to have it done and in our pocket because when I came here in 1993 we were in a sewer ban. There was a sewer ban in the mid 80's. The plant was being built in 1987 and 1989 and the ban came off in 1989 and it came back on in 1993 because the pump station was too small for about two thirds of the town. When I came here it was the intention to never be under a sewer ban again.

New Business: None

Adjournment:

At 6:29 p.m. there being no further business to come before the Board, it was moved by Merighi and seconded by Reuben that the meeting be adjourned. Roll call: Reuben, Merighi, Villar and Errickson voted "yes".

THE LANDIS SEWERAGE AUTHORITY

CARLOS VILLAR, Secretary