

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
December 21, 2015

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 Barse that the reading of the minutes of the regular meeting held on December 7, 2015 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. 2015-131, “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.....\$62,083.62”, be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2015-132, “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....\$225,526.63”, be adopted. Roll call: Barse, Reuben, Errickson, Villar, and Merighi voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2015-133, “A Resolution of the Landis Sewerage Authority authorizing an alternate method contract with Mutual of Omaha to provide Life, Accidental Death & Dismemberment and Long Term Disability Insurance...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2015-134, “A Resolution of the Landis Sewerage Authority authorizing a contract for an Employee Assistance Program with the Southwest Council, Inc. in the amount of \$1,312.00...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-135, “A Resolution of the Landis Sewerage Authority authorizing a two year contract with Look First Technology, LLC to provide operating system service and computer hardware maintenance contracts...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Dennis stated that this is a new name but it’s the same company.

It was moved by Errickson and seconded by Villar that Resolution No. 2015-136, “A Resolution of the Landis Sewerage Authority adopting the Landis Sewerage Authority Budget for the fiscal period January 1, 2016 through December 31, 2016...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Dennis stated that DCA got back to us Wednesday last week and they were actually done five or six days before hand as compared to last year when we had to keep calling up to the day of their meeting and this was across the Board. They had two questions and Tom answered them with no problem.

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-137, “A Resolution of the Landis Sewerage Authority authorizing correction on credits, charge-offs, refunds and cancellation of accounts in the amount of \$1,964.05...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2015-138, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$22,258.04 to GHD, Inc. for engineering services for Wastewater Treatment Plant improvements from October 26, 2015 through November 22, 2015 in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2015-139, “A Resolution of the Landis Sewerage Authority authorizing the reduction in tipping fees at

the Receiving Station for large volume haulers...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Villar that Resolution of 2015-140, “A Resolution of the Landis Sewerage Authority authorizing the adoption of a new allocation/connection fee schedule...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Reports:

Executive Director

Dennis Palmer reported that we had been working on the last two resolutions pulling those together. I’ve been talking to one customer who is nearby who has fairly large volume and this may be of interest to get him in here for 50,000 or 60,000 gallons a month. The co-gen is running and I’m talking to another firm that leases co-gens and I would have to talk to Steve how to do it. As we want to make more power and I’ve just begun talking to these folks that lease engines. You don’t buy it, they maintain it. If it shuts down and they can’t get it running within a week they bring in another one. I told them its digester gas that has stuff in it and we do clean it up. It’s something that may be worth exploring. You don’t make as much but you don’t have the maintenance costs. You might clear a \$1000 or \$1200 a month which would be \$12,000 to \$15,000 a year in your pocket and you make more power. It would not be a co-gen it would be just power generation. I’m having those exploratory discussions and also they may be coming here on Wednesday to look at the site. It could be an interesting way to get more power and save some money. I actually looked at a power purchase agreement for one a little bit bigger and they only have a 150 which is about what we have now. We could run both units in tandem and maybe boost it up with a little more volume.

We sat down last week and went over a lot of questions for a formal design memo with the engineer from the collection system and talking about questions from the owner, what we would see as preferences in some places. We went through that with staff and tomorrow the plant engineers are coming and we will go through the same thing. For example, if we replace the Archimedes screws which cost \$480,000 to \$500,000; for a \$100,000 plus you can upgrade outside scrolls that do the pumping to stainless steel and get a longer life from them. These lasted 20 years and they are really worn. Can we spend a little more and take them out to 25 or 30 years. Other than that it’s been kind of quiet.

We had a meeting with HomeServe last week. They came down to visit us so we actually see a face and we are collecting \$700 to \$800 a month from them and you saw the dashboard last month. Seven or eight people have called and used their services and no feedback came back to us that there were any issues or problems. It’s a value added to our customers.

Field Engineer

Bob Schwarz reported that the paving program for 2016 has been advertised and bids are due on January 12, 2016.

Proposals for work on Chestnut Avenue just east of the Boulevard are also being sought and will also be received on January 12, 2016.

We determined that an Orangeburg lateral on 216 Yelka Avenue is defective and in need of being replaced.

Bob also advised that Dennis and he met with City of Vineland officials regarding the four corners project and specifically the south east corner of Landis and East Avenue for purposes of constructing age restricted apartments along with some commercial units. Demolition is anticipated to begin early in 2016 and construction of the project to start in the summer of 2016. Utilities were present to provide information on existing infrastructure improvements. LSA will mark sewer laterals prior to demolition work.

Tom Merighi asked as an example on the four corners project on S. East Avenue, if they are going to demolish businesses that already have paid allocation fees or connection fees, when the new people come in do they have the new connection fees? Dennis stated that they get a credit. The allocation runs with the property so when they bought that property they bought the allocation of "X" number of motel units and each one of those businesses and if that's not enough you take that credit and you have to buy the difference. That is the connection fee. They might have bought the fee for \$1000 and today its \$2400, but the capacity runs with the property so if you have a block here and it was 56 units in the motel and they were two for one they get credit for 26 units. Whatever they build they will have a credit for the 26. The capacity runs with the property.

Steve Fabietti stated that if they need more capacity they have to pay at the current charges.

Dennis stated that he was running the new numbers with Jennifer and 56 seems to stick in my mind and you get credit for 26 in the motel one for another business that had two so it adds up. They are building 75 units but a one bedroom apartment is like $\frac{3}{4}$ of a unit so you have to balance it out so that will be equal to "X" number of apartment units. They will have to pay for some but they will have a fairly good credit. The capacity runs with the property and it's an enticement for someone to buy it. When they get the place open again we have a paying customer.

Solicitor:

Steven Fabietti stated that we are just monitoring one ongoing personnel matter with correspondence back and forth but nothing specific to report at this time.

Chairman: No Report

Issues and Correspondence:

Dennis reported that he was in Trenton and the S72 bill was on the agenda in the budget appropriations committee which is the largest committee. It's a thirteen person committee and if you have been around it's also the one you look for because that's where things are greased. It's usually at the end of the year and they can't get out of some other committee, the Senate President is there and it's the S72 bill that limits Authority budgets to 2% and also regional authority's budgets would have the DCA approve it and have it done on time and it would also go to the Governor's office for 15 days. We've been successful in several letters and meetings and writing to the legislators. They agreed to provide several amendments to the bill and those were to give Authorities similar provisions that municipalities have and to take out the cap, debt service, healthcare and pension payments that are over 2%. They talked about energy since Authorities are much more energy intensive. One Authority's electric bill for one or two months is maybe larger than the whole municipality's electric bill in many cases. Energy is flat now but someday it will come back.

We talked about getting away from the bill and looking at flow issues. The sponsors were amenable and also to cap banking. If municipalities don't raise your taxes this year or raise it by one then one goes in the bank. If they don't raise it next year then two go in the bank. When you needed it you may have five or six stored in the bank when something comes along. It was very fruitful, very late starting. We got a good reception and other Senators asked some good questions about the flow issues and dealing with CSO's and storm water flows. When I left I met with an aide to the Chairman or aide to the Committee in the back room with six or eight of us from AEA and we went through some difference amendments. Hopefully it comes through. I don't think it has enough wheels to come through both houses but the other advantage is it was a good teaching moment. It's a good opportunity to teach 13 Senators what Authorities are. The Senate President sat in because he had a couple of bills. It was an interesting afternoon and we don't want to antagonize people but always use it as a teaching moment and a time for organization and professionalism before the Senators. In those cases I think we hit a home run. We only have two more days when the Committees may be coming back again. It's a lame duck and bills go fast without deliberation and discussion and it's always a dangerous time.

Committee Reports:

Engineering/Plant:

Dennis stated that we are meeting with our outside engineers and get some focus as they go through their design, there are some things they say owner's preference and those are some of the things we are looking at with some of the stations and also the treatment plant.

Budget/Finance:

Joe Reuben reported that income is approximately \$734,677 or 8.22% over budget. Expenses are approximately \$174,892 or 1.96% under budget. Accounts receivables increased approximately \$775,931. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Dennis stated that this is on an accrual basis and it's not money in the bank. Our billings just went out and we adopted the Budget tonight with DCA amazingly getting back to us.

Human Resources

Dennis reported that Hilde has submitted her retirement resignation and the ad is running in the paper and we are deluged with mail with resumes from a lot of casino people and medical people. We really want someone with payroll experience. After the first of the year we will not take any more and put together the short list for interviewing.

Public Relations: No Report

Insurance Committee:

Carol Ricci reported that her memo was fairly self-explanatory. We're going with Mutual of Omaha quote. It's a better contract with better coverage at the same price we are paying now with a two year rate guarantee. Our group went out to seven carriers and five of them turned us down because of the cost. We're in a good place with this contract.

Allocations/Administration:

Dennis stated that we are hearing about some commercial from Sandy and other folks asking about rates and capacities at different locations so hopefully next year we will starting seeing more commercial things popping.

Old Business: None

New Business: None

Adjournment:

At 6:23 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: Barse, Reuben, Errickson, Villar and Merighi voted "yes"

THE LANDIS SEWERAGE AUTHORITY

G. STEVEN ERRICKSON, Secretary