

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
June 15, 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
Stephen Barse	Solicitor
Carol A. Ricci	Executive Assistant

Chairman Merighi stated that he had one change under allocation and administration that he stated "there was a lot of activity at the mall". He stated he mentioned that there was a lot of charge-offs at the mall and not activity. The correction will be made.

It was moved Errickson and seconded by Barse that the reading of the minutes of the regular meeting held on June 1, 2015 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.

It was moved by Errickson and seconded by Barse that the reading of the minutes of the closed meeting held on June 1, 2015 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. 2015-69, "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.....\$67,119.83”, be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-70, “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....\$300,444.56”, 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- 71, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$39,448.00 to Garrison Enterprise, Inc. for the East Oak Road Sewer Replacement project in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Errickson, Villar and Merighi voted “yes”. Barse abstained.

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-72, “A Resolution of the Landis Sewerage Authority authorizing the award of 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 & Machinery, Umbrella/Excess Liability and Public Officials Liability 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. 2015-73, “A Resolution of the Landis Sewerage Authority authorizing correction on credits, charge-offs, refunds and cancellation of accounts in the amount of \$3,682.50...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Executive Director

Dennis Palmer reported that last week we had the opportunity to give testimony at the Delaware River Basin Committee. There was a hearing dealing with some new rules. The process now is that anyone who is on the Delaware River in all four states, you get your local state permit and you also have to go get on the docket and get review and approval by them and review and approval by your state agency. They could sometimes be parallel or sometimes in succession which is time and resources to prepare and you lose if you have a project that you are trying to build especially with infrastructure. What they proposed is one process and one permit where each of the four respective states, the first being New Jersey, would go through the process where the State would take the lead and go through the process, implement and review under the DRBC requirements and eventually that would be one stop. You get both approvals at one time. Something the Water Resources Association has been pushing throughout multiple states to have that because of time and the resources it utilizes. Many organizations spoke in favor and the

environmentalists spoke against it because they like having two bites of the apple. Come to one place where you can raise questions at a hearing and the same questions at a second separate hearing.

We had a meeting with Casa DiBertacchi last week. They have a new waste flow they want to bring us so hopefully we will have another customer coming into the receiving station.

This weekend there were 20 volunteers on site. It's an interesting project. We are working with Fish and Game, the Quail Project, National Wild Turkey Federation, they have managed to arrange for a grant to fence some of the areas for the Quail Project and bring goats in areas, build a goat shed and they are paying for the rental of the goats. They are not worrying about coyotes since they are not here in the weather and they come later in the season. They will fence off areas.

Tom Merighi asked what the reason was for the goats. Dennis stated they mow down the greenbriar which opens up the area for the quail population. The sticker bushes choke everything out. All of the time we would take with 3 to 4 guys with equipment and weed killer, the goats do it for you.

Perry Barse stated the zoning or planning board was having issues with someone in Vineland that was bringing in goats to eat the grass and overgrowth at one of these solar fields in North Vineland. The neighbors were not happy but it was approved.

Dennis stated we are not spraying weed killer that will end up in people's wells.

Carol Ricci stated that goats were raised on their farm for a long time. My father in law had many goats, he bred them. We bred the goats every year. They will need water every day. If they don't have water they will get through the fences to get to it. They are very clean animals, they are sweet and nice. They will buck you if they have horns and they get upset.

Dennis stated that today we had a meeting with the team for the receiving station and this is in the process where we evaluate data and form a written report.

Dennis also stated that we've had calls with Hatch Mott MacDonald and they will have a proposal in to us by about Thursday for the improvements to the collection system. Dennis asked that they make it encompassing in that the upgrade to the Sears Pump Station is fairly elaborate and complicated so I want them to do that inspection. The smaller pipeline work and pump upgrades I think we can do ourselves. I told them to put the numbers in there and worst case we could say no, we're going to do this one. We need you on that one.

Stan Chilson will be here with an electrical engineer and a structural engineer and we will go through the plant. Last week we had a team meeting here with the guys in the facility to put together a list of things we want to do and work out for the facility. The main one

is changing out the aeration system. The new ones are 15 years old and the older ones are 25. The aluminum slide gates and the motorized actuators, especially down at the headworks, the sewer gases are coming in, a lot of them are corroded. We found another set where the chlorine corroded them and it looks like Swiss cheese.

Joe Reuben asked if we could switch to stainless steel. Dennis stated it could be stainless, it could be reinforced fiberglass. That is becoming much more prevalent or coated aluminum which has an epoxy coating. The steel troughs we have in the primaries are getting really corroded and do those with some type of reinforced fiberglass.

Field Engineer

Bob Schwarz reported that he will be attending a preconstruction meeting for a side walk enhancement project for Wallace School at the Mill and Oak Road area tomorrow at 8:30 a.m.

Bob also stated that we had some inquiries for proposed development on West Landis Avenue.

Solicitor: No Report

Chairman: No Report

Issues and Correspondence:

Dennis reported that he gave everyone a memo tonight. The situation continues to evolve at the front desk. At the last meeting we authorized to have Allison for 2 to 3 days. She's available 5 days. BettyJo left today for 4 to 5 weeks. We also learned that the City wants to start doing the runs at the end of June for the tax sale. We generate about 1600 files you have to develop and send to City Hall and they start sending them to the banks for people who are behind. That whittles its way down to about 300 by the time we get to the lien sale. It's a whole process that works its way through. That will start the last week in June so I would like to step Allison up to 5 days a week starting on the 29th. When Betty Jo comes back we'll move her back down.

It was moved by Barse and seconded by Villar that Allison be moved to 5 days per week on June 29th. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

Committee Reports:

Engineering/Plant

Dennis stated that he covered it in his Executive Director's report.

Budget/Finance

Joe Reuben reported that income is approximately \$251,492.00 or 6.19% over budget. Expenses are approximately \$105,931.00 or 2.61% over budget. Accounts receivables increased approximately \$1,278,309. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Dennis stated that the expenses will keep closing as we do a onetime state payment for our state pension in February so we have a big nut in the beginning of the year and as the months come on it gets divided by 12 that number will come down.

Human Resources: No Report

Public Relations: No Report

Insurance Committee:

Carol Ricci reported that the Insurance Committee as well as the Board received the premium comparison for our current and renewal pricing from American Alternative Insurance. We were declined and not quoted by a number of companies because they are unable to provide the scope of insurance coverage that American Alternative can for the pricing.

Most companies only offer \$1,000,000 coverage for underground pipeline and American Alternative offers \$10,000,000 and the same applies to the coverage for earthquake and flood insurance. These include \$2,000,000 with a \$25,000 deductible in each case.

We are currently with Darwin International for Public Officials Liability Insurance with an offer from American Alternative to provide the same coverage at a 22% increase in premium over Darwin. The reason is that the American policy has a \$5,000 deductible and because of a personnel issue in 2014, the Darwin deductible was raised from \$5,000 to \$15,000. Our track record is good with the one exception so the increase in deductible should not be an issue. It is the recommendation of Willis that we stay with the Darwin and not go with the bundling of Public Officials with American Alternative.

We received a \$3900 credit from last year. If you remember, an agent from Glatfelter Public Practice did a re-evaluation of the plant and raised our replacement costs considerably. We decided to insure at 90% co-insurance to lower our premium instead of insuring at 100%. The entire system would have to go down and that would mean a catastrophic natural disaster or manmade disaster would have to occur for that 90% co-insurance to have an effect.

Boiler and machinery insurance coverage with Hartford is getting very pricey and is bundled in our commercial package. Willis has gone out to other markets seeking new pricing and Zurich is interested. Dennis answered some detailed questions on line regarding our co-gen and other areas in the plant and we are currently waiting for pricing on that issue. The only issue could be is that American Alternative realizes the high

premium from Hartford so they lowered some of their premiums to minimize the rise. We will have to wait for those numbers to come in.

Finally the numbers show a 2.7% increase overall if we stay with Darwin v. a 4% increase if we switch to American Alternative for Public Officials/Public Practice.

The Board was in agreement to stay the course with Darwin waiting for the numbers from Zurich on Boiler and Machinery.

Allocations/Administration: No Report

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

PERRY D. BARSE, Assistant Secretary