

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
March 2, 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 Secretary

It was moved by Errickson and seconded by Reuben that the reading of the minutes of the regular meeting held on February 17, 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.

A 20 year Service Award was presented to Craig Wright.

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 Villar that Resolution No. 2015-30, “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.\$64,124.99”, be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-31, “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...\$185,822.57”, 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- 32, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$4,058.71 to GHD Engineering for engineering services from 12/15/14 to 1/25/15 for the Wastewater Treatment Plant re rate in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2015-33, “A Resolution of the Landis Sewerage Authority authorizing the exclusion of the public from a meeting between the Landis Sewerage Authority, its general counsel and administrative personnel to discuss litigation and related matters falling within the attorney client privilege...” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

At 6:05 p.m. the regular meeting of the Landis Sewerage Authority went into closed session.

Executive Director

Dennis Palmer reported that several loads have come in from food processors such as Casa DiBertacchi and Allied Steaks. We had a good conversation with B & B Poultry. They are looking to bring some materials in and we’ve been having meetings with other haulers also. It is absolutely working in many ways. During the weekend the lid on the digester comes down because we are not feeding it food and as cold as it has been we are producing more than double the amount of gas we produced before. We would max about 75,000 or 80,000. We’ve been pulling 150,000 almost 200,000 out with the boilers running because it is so cold and the co-gen is running at full speed. It is definitely producing the gas and making more methane which is more energy. The plan long term is to build a bigger engine.

Dennis also noted that in the Commissioner’s packages was a copy of a check from the State. We have basically been paid except for one payment for \$20,000 we are working out. We’ve been paid for all that we have built. It is exciting getting the project working as well as it is. We still have a little more to do.

Dennis stated that next week is the AEA conference and we are going to get the “Forward Thinking Award” for that facility. I think it’s the first one in New Jersey, not to accept waste but designed from the get go to bring materials in and inject them into the digester.

Dennis reported that he has been working on a legal matter with T & W Construction separately and we have interviewed a young man for an internship. He’s a civil engineer major at Rowan University and he’s looking to come in during the summer.

We have also received numerous resumes, one for the clerical position which title is Accounts Receivables/Customer Service. We had a lot more people responding for the customer service viewpoint and it's really handling the cash, making deposits, being accurate and doing the billing and sending it out. We will have to read through and bring in the right people for that. We also had several applicants come in for a farmworker position and we decided on that person today. He is getting his pre-employment physical and drug testing and if that works out we will make him an offer on that.

Dennis stated that he may have to come back to the Board for people with existing salaries since farmworker is not in the contract. We had someone leave the position and we started him with less so you may see a resolution at the next meeting to set up a salary for that person. It's basically \$14 or \$15 an hour. This person is working on another farm with a three month layoff and we have a one month layoff and he gets benefits. He's a young man with a lot of farm experience.

Field Engineer

Bob Schwarz stated that construction projects continue to be hampered by the extreme cold and weather related conditions.

Bob reported that we received the as-built plans for Dandelion Plaza. LSA staff is reviewing the information and will provide a response.

The City of Vineland awarded the pipe collapse matter on Dante just east of Lincoln Avenue to South State. Work is to start in a couple of weeks. We suggested to the City of Vineland representatives to have a pre-construction meeting in the field on this matter.

After the last LSA board meeting the COV Water Department had a break in their 12' main on Brewster Road between Chestnut Avenue and Landis Avenue. City engineers called LSA after the Brewster Road settlement. LSA advised was advised of the water main break. Dennis Palmer advised the City of Vineland to focus on water utility for response to settled area.

Carlos Villar stated we have no responsibility there at all and Bob Schwarz noted that if the settlement caused a lateral to break or shear as a result of the road it could be an issue and hopefully that will not happen.

Carlos Villar stated that there was extensive work done there by the Gas Company and Bob said that they put a main in and ran some laterals and trenching. Carlos asked if that is what caused it and Bob stated that the water main break is what caused it. It was the failure of the ductile iron pipe. They used Rockwell 360 which is an 18" clamp, tightened the bolts and put it back together. They had to shut the road down to make the repairs since it was 10 degrees that night. They were concerned about freezing and someone sliding into the workers.

Dennis stated that you are dealing with a 12” main. We know that with house services that are in inch or three quarters, if they break and that water leaks for any length of time into the ground it will puddle the trench. This was a 12” line. Bob stated it could be tens of thousands of gallons or more.

Solicitor: No Report for the public meeting.

Chairman:

Tom Merighi stated that we do have the AEA conference next week on Tuesday and Wednesday and it is nice to hear we are getting the award and get some recognition.

Issues and Correspondence:

Dennis stated that we have two issues. The first is the purchase of a pickup truck that is under State Contract to be utilized by a staff member and later in the year it will go to the farm since they need a crew cab. We need the truck now since the other one died. We will purchase an extended cab in the future. Right now it’s under the state contract and its good pricing.

It was moved by Errickson and seconded by Villar that the executive Director be authorized to purchase a pickup truck under State Contract #A85438 (T2099). Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

Dennis stated that the second issue, while not on the agenda, is that we did receive a letter from the Mayor late in the afternoon and we sent a short note back saying thank you for the letter and we will be reviewing it. There was a draft in your package and we’re looking for comments if you would like any changes, are you happy with it. We would like to get something out this week as a response. Dennis stated that he is looking for direction from the Board. Joe Reuben said he like the letter. Dennis stated that he thanked them for the congratulatory remarks and we have a responsibility to the rate payers. They want the 5% and that would mean another \$20 or \$30 more to raise that kind of money. Steve Errickson stated that we should send it as written. A motion is not necessary; we will just change the date.

Committee Reports:

Engineering/Plant

Dennis stated that everything is kind of quiet right now. We are wrapping up some things on the receiving project. We started some discussions with our bond counsel. We will have a resolution which would reference a reimbursement agreement. If we spent money before we issued a bond for engineering, the bond proceeds would go back in the construction fund reserve fund. We are now approaching the second quarter and we need to sit down with our engineers and work on a more detailed design proposal from them

and also to tighten the numbers up. We had some estimates and there are a couple of projects we want to add. Two things are not only to do things in the plant and the system we have today but can we look at helping some growth. We put the pumping stations that was dedicated to us by Shop Rite. Maybe run those lines a little further west on Landis Avenue. We can run from Adamo's and go west and down across Bennigan's on the south side. One of the thoughts I had is if we build it they will come as we did with the Hospital Pumping Station and a lot of things went up and down Sherman Avenue. There has always been a desire to see something happen on North Delsea Drive. We did some estimates and it was \$5M. Some of the area was taken out of the Wastewater Management Plan. One of my thoughts is to pick a location, put in a pumping station and a force main and wait. That's the most expensive part of it. If someone else wants to build they can run gravity lines to it and we can go from there. What can we do for some growth areas? ON Burns Avenue we made those lines deep enough so we could run north. That may be a little too speculative at this time but when we designed it we made it deep enough to run north on Main Road and Lincoln Avenue. There are thousands of acres to service out there. We have to do a couple of things in the plant to give us capacity to 2030 or 2040 in the collection and put a couple of million dollars for some of these things that could drive economic growth. That's for the next six to nine months. When bond counsel comes down he wants to talk about some milestones we should be targeting throughout part of this and next year. Design this year and permits next year. Construction will be probably later in 2017. Some purchases of equipment with the bond could happen in 2016. May be we can go out and get grease from some small people with a jet vac truck. We also need new TV equipment. Our equipment is pushing probably 15 years old to look at the lines, spend a little money to get a better truck that has a packer so we can find leaks with a pressure packer. It goes into the soil like jello and sets up and can stop water from leaking into the lines. The farm needs a new well and two more irrigation arms and another piece of equipment.

Budget/Finance

Dennis stated that he is happy to send our first bills out for the receiving station and that will start generating revenues.

Perry Barse asked if it comes by the truck load and Dennis stated it's by the tractor trailer load. Perry asked what we bill for that and Dennis stated it's about \$.08 a gallon. Last week we had 5,000 and 4,500 gallons come in on Thursday. The bills we are sending out right now for loads are about \$1400 but eventually you can count on about \$50,000 to \$70,000 a year.

Perry Barse asked if there was a down side as to equipment maintenance and Dennis stated not really. Grease is over 90% volatile so it will break down and become gas. You end with more volume to go to the farm; a lot of it is being converted to gas. The upside is before we did all of this in the dead of winter, even with the co-gen; we would have to go to oil since we did not have enough gas to run both. The boiler would come on and starve the generator and shut down. We have so much gas now the generator and boilers are running full speed sucking a tremendous amount of gas through the system. The

timing couldn't be better. This is somewhat cyclical. A lot of these people land apply on farms in Delaware, Maryland and PA and not so much in New Jersey. Sometimes it's a lower cost and we may see a drop off in the nicer weather. Last winter and this winter have been brutal when it comes to snow and cold so we can become more cyclical and we need more gas for heat, it's a perfect match, if it evolves that way. Our point now is to get two trucks a day and we proved that we could handle two tractor trailer loads on Thursday. B & B is maybe looking at three truck loads a week. What works really nice is that we don't need nearly the amount of food on the weekends and the lid would come down but that lid has been filled to the top. This weekend we fed in a little on Friday, Saturday and Sunday and maxed out our gas production. We may be at a point that the system may not be big enough for the demand and that would be wonderful news. We talked today about putting in some equalization tank to store material so we can heat it up and pump it into the digester. If we can help our own heating and electric bills by making electricity and help our local food processors and knock some off of their hauling costs and multiply that by those thousands of gallons that each tractor trailer has, it makes their bottom line stronger and we like strong customers.

Human Resources

Dennis stated that he covered it in his report and it will take us a month or longer on the other resumes.

Public Relations:

Dennis stated that hopefully we will have a nice story next week and we will bring the camera and get some picture of the chairman and others. I also asked two staff members of the management team that did a lot of work on it to come to the luncheon to recognize them for the work they did on the project.

Insurance Committee:

Carol Ricci stated that she would be meeting with our insurers on Thursday to start scrubbing out the lists for property and casualty removal on July 1, 2015. Also you will be relieved to know that you will no longer have to fill out the length applications for surety bonds since we have ample coverage in our Public Officials Liability policy and Public Employee Dishonesty endorsements. The only bonds we will be keeping are the street opening bonds and the treasurer's bond. We picked up about \$1200 on that item.

Dennis stated that also for insurance I forwarded to Steve today a copy of the Home Serve contract and they provide sewer line insurance and it is a value added to our customers since we have some very old lines and old homeowners lines in Vineland where they can provide a policy from the curb or cleanout to the house would be covered as well as plumbing inside the building as well. It's an agreement that gets signed, we provide them a mailing list or our customers and use our logo that we are trying to help them with sewer line service and we get a small commission. They do it for water, sewer,

septic lines and interior plumbing. It's a draft and we are reviewing it and it should be ready by the next meeting.

Allocations/Administration

Dennis stated that we have the public hearing coming up where we are going to offer a penny discount on large loads. The idea is bulk discount, get someone lined up and you know you are going to get one to two trucks a week. That's what the competition does with bulk discounts.

Perry Barse asked who is our competition and Dennis stated it's Delcora in PA in Chester on the other side of the bridge. They are a couple of cents cheaper than us but you have to pay a tractor trailer toll to get across the Commodore Barry. Joe Reuben stated its \$75. Dennis stated that one of the haulers is in Pennsylvania and he's already coming over here to take it back. Atlantic County takes some in their incinerator so prices were compared when we set up the list. Gloucester is where we took our grease and they were so inconsistent with shut down it was driving us crazy. We ended up having Delcora as our alternative and we paid more and we also used Atlantic County. We were paying more for man hours and truck time. Gloucester may shut down their incinerator and use digesters like ours. They take a lot of industrial waste and septage which are things we do not want to touch. They have a different type of facility. It's a big system. Position wise we are much closer than anything in Cumberland County than our competition. Our edge is haul distance for both man and machine for time and cost. We're here for the food processors. The small guys like pizza joints, if we get a small vac truck we can do it ourselves. We know that it would be done right and cleaned and charge for the disposal and man time. It's another potential market and income source.

Tom Merighi asked how long it takes to unload the truck. Dennis stated it takes less than a half hour, maybe twenty minutes. Most of the time is parking it, getting the hoses up and opening the drain. A lot of those trucks have both a vacuum and a pressure pump on them so when they load, it's like a compressor that runs like a vacuum to suck the material in the truck and when they hook up here the pump puts pressure in the tank and forces it out through the hose, the muffin monster through the rock trap and into the tank and we then heat it up to 110 degrees and mix it, chop it up and slowly inject it and we had so much we put it in over three days. We are going to do our own grease tomorrow or Wednesday. It's like rocket fuel when you put it in the digester and it makes a lot of gas. It's a lot cleaner than the gas that comes from sewage. You don't have to clean it up before it gets to the engine. Long term we want to put in one more scrubber so we can run compressed natural gas vehicles off of what we bring in here. That's the next step. The large trucks we want to buy we want to run on compressed natural case. There are two filling stations now and CCIA wants to put one over by the landfill which is close for us and long term put a system we fill from the digester. Millville has one and Coraluzzo's wanted to put a compressed gas system in. Bob Schwarz stated it was Major Petroleum has one also. It's across the street from the block. That's the future.

Old Business: None

New Business: None

Adjournment:

At 6:45 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