

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
August 15, 2016

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
Nancy A. Lagerholm	Administrative Assistant

It was moved by Errickson and seconded by Villar that the reading of the minutes of the regular meeting held on August 1, 2016 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. 2016-84, "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.....\$69,647.30", be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

It was moved by Reuben and seconded by Errickson that Resolution No. 2016-85, "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...\$141,507.88”, be adopted. Roll call: Barse, Reuben, Errickson, Villar, and Merighi voted “yes”.

It was moved by Errickson and Reuben asked what the prices are compared to last time around and Dennis stated they are in the Resolution and prices are good and they extended August 2014’s bid all the way into December 31, 2018 for both this contract and the next contract. Dennis stated they were good numbers at the time and even better now that they are extended into 2018 for both the polymer and hypochlorite. Motion was seconded by Reuben that Resolution No. 2016-86, “A Resolution authorizing a contract extension for supply and delivery of liquid polymer” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-87, “A Resolution authorizing a contract extension for supply and delivery of sodium hypochlorite” be adopted. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted “yes”.

It was moved by Errickson and seconded Reuben that Resolution No. 2016-88, “A Resolution amending the existing cash management plan and its amendments” be adopted. Roll call: Reuben, Errickson, and Villar voted “yes”. Barse and Merighi abstained.

It was moved by Errickson and seconded Reuben that Resolution No. 2016-89, “A Resolution concerning review of the findings of the Local Finance Board made at a meeting of said Board on June 8, 2016 in accordance with the provisions of N.J.S.A. 40a:5a-7” be adopted. Roll call: Barse, Reuben, Errickson, and Villar voted “yes”. Merighi abstained.

Reports:

Executive Director

Dennis stated he knew the prices for the polymer and hypochlorite were 2014 prices. Dennis said he would get what the numbers were last time. Reuben stated he was just wondering if the prices were holding up.

Dennis reported we will be receiving a Top Project Award from Industrial Waste Magazine on the receiving station in September. Looks like we are successful in applying for a Grant to State DEP for \$10,000. to put in a couple electric charging stations for vehicles. They can be for customers, Authority vehicles, as well as our employees if they have electric cars to travel back and forth. We will move along on that.

We received \$1,000 towards the Quail Project as well. This can help pay for seeds and weed killer to keep back the green briar. There is more and more interest in this project with more people involved in the area.

In the safety meeting we had, we moved forward on some decisions dealing with how our employees go out to homes when there is a sewer backup. Generally we adopted a policy in the safety committee that no individual employee should go into someone's house alone. They should wait for a second person or authorization just in case something happens in the house and you are accused of something. This way you have a second employee with you.

We had a surprise OSHA Safety Inspection. It is the twin to the previous inspection we had which was a PE OSHA. This one is just on safety. The Inspector was pretty happy with things we had. They can always find a few things. Most of the things she found were remedied before she left the site. We have to order a couple of safety items so we can get that completed.

Back to the Grant on the electric chargers, Merighi asked if we had any electrical vehicles at the Authority. Dennis stated we do not yet. It is something he always envisioned for the LSA. The State hasn't had a lot on the state contract but he believes they will be more prevalent in the future. It is a service also to customers, if we have meetings here or someone pulls up in a vehicle and we can charge a modest fee to charge. It is also encouraging to our employees so they can charge their vehicles too. It is a universal picture of what Dennis sees as the future in vehicles. He thinks it is more likely for pick-up type of things.

Field Engineer

Bob Schwarz reported that work has begun on the middle school at Lincoln Avenue just north of Butler Avenue and the Charter School at Pennsylvania Avenue where site work is occurring at both locations.

He also reported a meeting is planned for next week to discuss the proposed Allied Steak facility on Freddy Lane off of Forest Grove Road.

Solicitor:

Steve Fabietti reported last week he spent a significant amount of time back and forth with Bond Counsel working up his firm's opinion letter which he had to deliver for the closing of the Bond financing last week. They were asked to give certain representations about the Authority's legal status and procedures and so forth. They were able to complete that.

Steve continued to work on appellate court brief for the NJDEP's fee appeal, which is due the first week of September.

Chairman:

Tom Merighi asked Dennis where he wanted to talk about the new school. Dennis said in Issues and Correspondence.

Issues and Correspondence:

Dennis reported he thought we had a deal through conversations and phone calls with Wayne Weaver on resolving the connection fees and bringing it down to help out the school system. Apparently, that fell through because out of the blue he got an email from Keith Davis saying he was contacted by the conflict attorney from the school board that they think they don't have to pay. Everything Dennis has seen in the statute he was relying on that the school authority sent him that the citation only deals with the authority. It doesn't flow down to the school boards or anybody else, just exempts the state school authority. When you look at sewer connection fees, it applies to the builder, eventual owner or operator of the building and the school board is the eventual operator of the building. Therefore they should bear the cost of the connection fee. Dennis scanned and sent some items to our counsel to review. Counsel will go back to conflict counsel for the school board to see if they can resolve this. The words say what they say. The plain meaning of the word, they say what they say, which it just says the Authority. So that's where we stand at this point. Villar asked if we paid for the vocational school to connect. Dennis said vocational school paid their connection fee, colleges paid their connection fee. In past some of the public schools, did the school board pay the connection fees or did school construction corp. at that time pay the connection fees? So it's mixed up but always someone is paying the connection fee. Barse asked who paid for our downtown school - was it school construction or was it the Board? Dennis believes it was the school construction corp. or authority. They had a name change at some point and when they did the name change through either going from the Corzine administration to the Christie administration they changed the law in different aspects and one was this aspect where the authority does not pay the connection fee. Barse stated it's just the hard line on this - that's all. Plus Dennis stated they have been on notice for multiple years with multiple pieces of correspondence saying they should budget for this. Another thing, when you have this consent order, Dennis doesn't want to be representing our Board and our ratepayers be dragged into court. Fabietti stated there is a recoupment formula in a prior court order to which the Authority is subject. So that has been raised as well. Fabietti also stated, just to clarity for the record, his firm does work for the Board of Education and obviously for the Authority, so we have been conflicted out on both sides so there will be conflict attorneys on each side. Dennis stated Keith had reached out to him and he said yes I want him to represent us. There is no need for a new motion or resolution because we have the previous one in place to take care of conflicts for us as stated in the engagement letter. I emailed him back to confirm that as well. He sent a letter by email that stated the same. So we will have representation and see where it goes from there. Merighi asked if we were proposing the friendly amount that was negotiated or the original amount now? Dennis said you walk that line but he would like to represent you have clean hands - we have a deal. Merighi said - but we don't have a deal. Dennis said from our side we should represent this is the deal we negotiated and

agreed upon and this is the deal it should be. They don't want to have clean hand then we go from there.

Committee Reports:

Engineering/Plant:

Dennis reported they got back on the job and continued to work on both the plant and the collection system. They should move ahead and we will see a new former resolution at our next meeting because we will be paying off the bills. The construction fund voucher will look similar but it will say 2016 bond so we can distinguish two different construction fund vouchers from two different banks. A lot of the bills up to this point from the professionals associated with the closing they were being taken care of by the Trustee. Merighi suggested maybe now is the time, when Steve recommended that the construction fund was not really proper when we are not constructing and now he sees it maybe a little bit more clearly that we should look at getting the finance committee together to create another fund. Then we can have a construction fund so we are not confused what we are doing for this project. Dennis said we can look at that.

Dennis said we did some work on the receiving station this weekend and the guys worked in horrific conditions. They modified one of the mixing pumps and it has been running for 18 months without cleaning. There was a boat load of rags and grit. So they cleaned all that out so it is ready. It is something they want to do every year and next year we will also plan to do it in October, November or March. It had to be done now because of some piping work they want to get done.

Budget/Finance:

Joseph Reuben reported income is approximately \$480,448 or 8.3% over budget. Expenses are approximately \$182,598 or 3.1% under budget. Accounts receivables increased approximately \$139,945. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Dennis reported those figures are on the accrual basis so that means we billed but not yet received in some cases.

Dennis reported the closing happened last week and it came off very smooth. There was a last minute glitch the day before on some insurance that the bank wanted us to have in future construction contracts. We had given it to our insurance advisor and he said this stuff is kind of dated, like nobody does these, so we came back with what we wanted and they agreed that was resolved. What kind of coverage you want for contractors. We are going to be doing \$10 – 11 million job here, Sears will be a couple million dollars. We will have guys working on the roads so you want people to have both general liability coverage and umbrella coverage that are of satisfactory nature. Also builders risk while they are building something and before we get beneficial occupancy of whatever they are constructing that have builders risk insurance as well. Closing came off, we have a new

Trustee. There are a lot of things that Dennis likes that are very positive on this. It was unique financing by going through the local banks. Big benefit, our issuance costs was probably 25% of what we did in 1993. The new Trustee was a homerun – better service at half the cost. You can't get better than that. Dennis was really impressed with that. After we closed, Capital Bank's wiring capabilities were \$5 million so they had to send out five \$5 million wires. You always hope they all get there. We got a confirmation from TD that they all arrived. So TD has those funds and they are also in the process of paying off the professionals, Bond Counsel, Auditors, and our Financial Advisor. So home run on issuance costs compared going through an underwriter. Capital Bank is working on a press release. Dennis gave them a couple of quotes. David Kotok may want to do something on the national stage that he works in that this was unique financing and an alternative to municipalities and public bodies instead of going to the bond market.

Human Resources

Dennis reported we have a young man working on the farm. He completed his CDL license. Dennis recommends that we promote him to an Agator position. It is a higher level title and that will be taken place next week. Dennis always likes to reward employees who improve their skill set. He had different licenses, he was a farm worker, went back and took the written part and studied for the CDL test. We let him drive our trucks with another driver and let him get his CDL licenses. So he will move up to the next position.

Public Relations:

Dennis stated again we should see something from Capital Bank maybe later this week. They wanted quotes from David Kotok and our Bond Counsel. Dave may do something on the national stage.

Insurance Committee:

Dennis reported we had a meeting last week on health insurance. Our representative is working on this. Horizon came back with 14% originally. He got it down to 9%. I told him go back and tell them this is actually factual, read the newspaper, our largest customer, who is almost 10% of our sewer budget, is leaving town. So see what you can do.

He also brought a second plan that Blue Cross Horizon, same network, same doctors, same hospitals had higher co-pays, and Dennis told the union this, but to match the existing contract and we have to do an analysis of numbers is that they also provide a debit card we would fund. We would look at the savings. The employer would go in if the co-pay was \$15 they pay \$10 and swipe the co-pay. But if you add up the premium savings versus the exposure of potential co-pays, I think it is a win. We have to do whatever we can do. The business agent said this will be different but the coverage and co-pays are the same it is just that you have to go in with 2 things, your medical card,

your co-pay and this debit card. We need some more information before we explore it but Dennis didn't also want to catch the union by surprise and say this looks like an option and it will save us money and it is no pain for you. You just have to carry the extra card.

Allocations/Administration: None

Old Business: None

New Business:

Villar asked what is the procedure for a Vineland resident to be able to use the LSA facilities for hunting. Dennis explained they come in on the farm side. They have to bring their hunter's license and firearms ID card. They say what season they want to hunt. They have to call Dan Reed at the farm and he will set them up. They have to sign a waiver.

Adjournment:

At 6:26 p.m. there being no further business to come before the Board, it was moved by Errickson and seconded by Barse that the meeting be adjourned. Roll call: Barse, Reuben, Errickson, Villar and Merighi voted "yes".

THE LANDIS SEWERAGE AUTHORITY

G. STEVEN ERRICKSON, Secretary