

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
August 1, 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 and Merighi were present. Villar was absent.

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 Barse and seconded by Errickson that the reading of the minutes of the regular meeting held on July 18, 2016 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".

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. 2016-77, "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.....\$69,659.00", be adopted. Roll call: Barse, Reuben, Errickson and Merighi voted "yes".

It was moved by Errickson and seconded by Barse that Resolution No. 2016-78, "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...\$183,926.72”, be adopted. Roll call: Barse, Reuben, Errickson and Merighi voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2016-79 “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$20,452.75 to Hertrich Fleet Services, Inc. for 2016 Jeep Patriot 4WD in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Barse, Reuben, Errickson and Merighi voted “yes”.

Dennis Palmer stated that it was purchase under State Contract.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-80 “A Resolution of the Landis Sewerage Authority authorizing correction on credits, charge-offs, refunds and cancellation of accounts in the amount of \$464.00” be adopted. Roll Call: Barse, Reuben, Errickson and Merighi voted “yes”.

It was moved by Errickson and seconded by Reuben that Resolution No. 2016-81 “A Resolution of the Landis Sewerage Authority summarizing allocation activity through the close of Allocation Round 164” be adopted. Roll Call: Barse, Reuben, Errickson and Merighi voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2016-82 “A Resolution of the Landis Sewerage Authority allocating sewerage capacity for Round 164 for Multi-family Classification” be adopted. Roll Call: Barse, Reuben, Errickson and Merighi voted “yes”.

It was moved by Errickson and seconded by Barse that Resolution No. 2016-83 “A Resolution of the Landis Sewerage Authority allocating sewerage capacity for Round 164 for Public Classification” be adopted. Roll Call: Barse, Reuben, Errickson and Merighi voted “yes”.

Reports:

Executive Director

Dennis Palmer reported that we have been working with Steve on the appeal for the NJPDES fees.

The quarterly report was issued and we continue discussion on the connection fee for the Middle School and we took action just a minute ago.

Last week I gave testimony at DRBC which is a multi-state agency in West Trenton. They are putting forth some proposed new fees. Other states will be hit harder than New Jersey. New Jersey has something called a “one permit one process” which cuts back

significantly on what they would look to apply to other states being New York, Delaware and Pennsylvania. We may be looking at a fee of about \$1000. My comment was they did it on design capacity rather than actual flow. I always have that problem with DEP so I raised the same issues with that agency as well.

Chairman Merighi asked if that was for groundwater. Dennis replied that the DRBC regulates both discharges and water withdrawals so it could be groundwater or on the discharge side of the equation. They also deal with the four states on water being withdrawn from either surface water like damn or even wells for groundwater. They evaluate the overall impact on the basin and from a planning standpoint. They also, in some cases in parts of Pennsylvania the state doesn't regulate that so they are the regulator where New Jersey regulates all of those aspects. Tom Merighi asked if it was with the DEP. Dennis replied that it is with New Jersey's DEP. In Pennsylvania and New York they don't do that. They have been the main regulator for groundwater and surface water withdrawals. If you have an industry that is using cooling water or a water utility that is using it for drinking water, it's any of those aspects they regulate. They review and they also look at the comprehensive plan that they have developed and how does it fit into that comprehensive plan; looking at water quantity and quality issues in the entire Delaware Basin from here up to where the reservoirs are in New York State.

Tom Merighi asked do we pay them voluntarily. Dennis stated that they will be proposing a fee that could be \$1,000. I am arguing that it should be on actual flow and our flow is less than our permitted flow so we may be at the \$500 range so we will raise that issue.

Field Engineer

Bob Schwarz reported that he attended a pre-construction meeting for the new charter school on Pennsylvania Avenue today.

We received plans for Allied Steaks new facility on Freddy Lane off of Forest Grove Road and are providing comments. We also received plans for the new Vineland Middle school and provided comments.

Bob also stated that demolition continues at the southeast corner of East and Landis Avenues for the commercial and senior housing project.

We continue to communicate on concerns and issues for the new Lidl facility on Landis Avenue between Moyer Avenue and the new Shop Rite.

Solicitor:

Steve Fabietti reported that Dennis mentioned we received a briefing schedule from the appellate division for the NJPDES permit fee appeal. Our brief is due the first week of September so we've been working on that and interacting with Dennis in terms of making sure we have all of the documents we want to refer to in that brief.

The other item is that I have been in touch with our bond counsel. We are still in the waiting period as far as the closing on the bond issue and he will prompt me asking for an opinion from me to confirm there is no litigation affecting the Authority when they set up the date for closing.

Chairman: No Report

Issues and Correspondence: None

Committee Reports:

Engineering/Plant:

Dennis reported that engineering and some surveying kicked back in. I did talk to our engineer who is designing the plant and I basically all of the numbers and calculations he had on loadings on the plant whether they are hydraulic or organic loading, throw them out with Progresso closing. I told them rather facetiously but the answer is no; we shouldn't throw them out the window because everybody's goal would be to see someone else if Progresso doesn't stay there, that the plant be reused again by someone else in the food processing business. Keep the plant design so it can be loaded up as it is currently, but have the ability to be able to turn it down for lower loads. We can run the aeration system and save money on electricity. We will go back to one half of the plant which we have been doing all along. That work is ongoing and we pushed some people off on other projects but they are coming back now to work on design of the collection system. They actually came down a couple of weeks ago and we went through the Sears pumping station to get measurements. That is one of the top projects we are working on.

Budget/Finance:

Progresso is just sad news for the entire community and the town. Tom and I have spent time working on numbers last week. The bank wanted something for their files as well; how do we anticipate responding to that. We've looked at income and we know to a small degree what the reduction in expenses is but they are nowhere near. We work at 70-75% fixed cost, so with or without Progresso we still have bonds, insurance, personnel, health insurance and all of the other things we still have to pay for. We trimmed a lot when we filled the \$170,000 hole when Kosher left, but I've spoken to all of you and we will evaluate it as we get to the end of the year or the early part of next year and we will need a \$20 rate increase to cover that hole. Every \$10 raises a little over \$300,000. I anticipate we will have less electricity; we are pumping a half million gallons less at the head of the plant and we pump a half million gallons less in the middle part of the plant, we will have less sludge being produced, less need of some chemicals because of Progresso but it will come nowhere near 20% or so in offsetting the income. That will be all part of the budget process as we look into next year.

Human Resource:

Dennis reported that our new employee started as Shift Manager. Marge Miller who has been going to school passed a month ago and has now received her certificate as a Qualified Purchasing Agent. With that the QPA we've had in here for transition will be gone in two weeks. He was here as an interim QPA. There are many benefits to having a QPA. Your bid thresholds are higher, quote limits are higher, and all of those save the Authority money. You also have someone who is changed in making decisions on purchases. I'm very proud of Marge taking the classes and receiving that certification and personnel wise it's great for her, but bad news for Frank. He was here until she got the certification.

Tom Merighi asked if he was part time and Dennis replied yes.

Public Relations:

We just gave out the Grapevine and we were the front page story and there was also a story in the Neighbor's section two weeks ago as well. They came to our facility to learn about energy.

Insurance Committee:

Carol Ricci stated that she will be meeting with our insurers regarding major medical coverage on August 10th and that she would be on vacation for the following Board meeting so a report will not be forthcoming until the first meeting in September.

Allocations/Administration:

Dennis reported that closing is anticipated for some time next week. That's all I know at this point in time. Estoppel period has completed and ran. The bank's attorney is on vacation this week and he is available and I'm sure there will be some emails going back and forth. I needed to give them something for their file to deal with the Progresso matter anticipating a \$20 rate increase. We've had other discussions this whole time. He did his due diligence and everything is coming together. I've been seeing correspondence back and forth between our bond counsel and the bank's counsel. We don't have a date set but it is anticipated next week or the following at the latest.

Old Business: None

New Business: None

Adjournment:

At 6:16 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 and Merighi voted "yes".

THE LANDIS SEWERAGE AUTHORITY

G. STEVEN ERRICKSON, Secretary