

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
February 18, 2014

Pledge of Allegiance.

The regular meeting of the Landis Sewerage Authority was called to order by Chairman Errickson at 6:00 p.m. The following members were present at roll call: Reuben, Merighi, Villar, Silva and Errickson were present.

The proper notice was given to all members in accordance with the by-laws.

Chairman Errickson 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
	Nicole Curio	Solicitor
	Carol A. Ricci	Executive Secretary
	Brian Day	
	Mark Scott	

It was moved by Silva and seconded by Villar that the reading of the minutes of the regular meeting held on February 3, 2014 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

Dennis Palmer presented the 20 Year Service Awards to Brian Day and Mark Scott.

The Chairman asked if there were any general public comments or comments on the proposed Resolutions. There were none.

Resolutions:

It was moved by Silva and seconded by Reuben that Resolution No. 2014-24, "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.....\$56,657.43", be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

It was moved by Silva and seconded by Reuben that Resolution No. 2014-25, “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...\$230,534.12”, be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted “yes”.

It was moved by Silva and seconded by Reuben that Resolution No. 2014-26, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$6,701.96 to Hatch Mott MacDonald for Construction Services for the Burns Avenue Sanitary Sewer Extension in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted “yes”.

It was moved by Silva and seconded by Reuben that Resolution No. 2014- 27, “A Resolution of the Landis Sewerage Authority authorizing payment from the Construction Fund of certain costs of the system in the amount of \$2,275.00 to GE Mechanical to supply labor, material and equipment to remove a broken cleanout, repair broken pipe and install a new iron cleanout with brass cap at 1083 E. Landis Avenue in accordance with the provisions of the Authority’s General Bond Resolution...” be adopted. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted “yes”.

It was moved by Silva and seconded by Villar that Resolution No. 2014-28, “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 personnel matters.

Chairman Errickson noted that the Board would move into closed session at the conclusion of new business.

Reports:

Executive Director

Dennis Palmer reported that we had a Shared Service meeting last week and it went very well. Dennis stated that we have one more meeting ahead of us and one is scheduled for the end of March. The idea is to let the attorneys work back and forth to work out some of the wording in the agreement. One of the items in our discussions we’ve been seeking is if someone owes us money on a sewer bill it’s very hard to shut the sewer off. In some cases where there is a cleanout we can inflate a plug and go in there. Some industries have valves that we can shut off as well. We are also looking for help from the City as the law says and it says shall, that we put them on notice if they are arrears on their sewer bill that they would shut off the water and also if they don’t do it we could. Dennis stated that he does not want to play with another utility’s equipment. The philosophical part of the discussion is that the City utilities don’t like to shut off electric if it’s more than 90 degrees because someone could die from the heat or turn off water or electricity if it’s less than freezing. We are working on the nuances of the wording is that if we did request

it and we are successful and it is worked out on the shared services, then we have a parameter that would happen between those two extremes. This would help both of us from cash flow but also takes the burden off the City trying to get people to pay as it would reduce the amount of work associated with the tax lien. This is a lot of work for the City's tax office and our folks as well. There is a shared burden in trying to get people to pay their bills. We will take a payment plan: \$25 every two weeks as long as it's some kind of plan and people stick to it. We also would target those with a minimum of \$1000 and commercial accounts \$5000 or some higher number.

Carlos Villar stated that at this point he feels that we need to close this before we let it continue. The time has come when they need to vote on it so it's over with so when we see stuff in the paper like the Mayor saying we are still looking into taking over LSA, we can put all of that aside. Dennis said that he hoped we could have done that after this last meeting.

Dennis explained that there was an issue on Friday and Public Works called us. We mobilized our 6" diesel pump and set it up to keep someone's home from getting flooded. We brought the flooding down.

Jose Silva asked if it was possible to take a vote on something tonight and just put closure to this. There are some things that we do not need to vote on that will be up to the professionals to handle, whether they are engineers or whatever. We could put closure to this, vote on it and let them handle the nuances so that we can get something done.

Dennis stated that we might not want to vote to approve the agreement blindly to absolutely say the goal is to have it approved by April. The next meeting is the 25th of March.

Carlos Villar stated that he sensed some expediency and we want to see this done as quickly as possible.

Dennis stated that he helps each other's budgets to get things resolved. You can certainly put a motion on the table saying it's the goal or the recommendation of the Commissioners to have the Agreement done by April of 2014.

Jose Silva stated that he would have a motion like that and it is just for purposes of expediency. He does not want council members to think that we are trying to be difficult. This is just to say we want this done. It's been a year that we have been waiting for this.

Steve Errickson stated that it is impossible to create a document that is all inclusive and perfect. We are at a stage where the whole group has done a really good job. It's going to be a work in progress no matter what. Steve stated that he would also like to see it come to a conclusion and it's a living document where things are going to be added and subtracted and fined tuned. Everyone is in agreement in the principle from what I see sitting around the table with us and council. Everyone is on the same page where we know we can realize some savings and we know there is some cost sharing there. It's

going to grow and the savings and cooperation is going to grow. What is really going to make this thing fly is our supervisors from LSA and the City and make things happen. They made a phone call because they needed one of our trucks and we got it done; we did not need an act of congress or the board. We just did it with good common sense, good business practice, fair play and working together and I think we already have that. The main point is that this is going to be a living document that will grow and Dennis stated that it is to be revisited in three years. It also allows us to have other cost sharing considerations which is one of my other items to talk about.

Jose Silva asked if we should have the motion. Steve Errickson said yes. It was moved by Jose Silva and Carlos Villar that the Committee use as much expediency and time is of the essence and that we would like to get this done no later than April, 2014. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

Dennis Palmer reported that the next item up for cost sharing is trees. The City had received a grant that when they widened Delsea Drive trees were cut down and they have a fund to plant new trees somewhere else. The City never had a place to put the trees so we have been working with them and there is a fair amount 10-15,000 trees. They are white cedars and we have several acres in the back to put them. They are somewhat endangered in New Jersey. We have ideal soils and groundwater levels here for them. We have some natural white cedars near Sherman Avenue close to 55. We are working with the City. We are looking at doing a separate cost sharing for this because we don't want to throw it into the one we are working on. We would put up fencing, plant the trees, they would pay for the trees and planting, After a year or two have to show 85% survival. It's a great thing to do and it helps the City. It coincides with the whole thing we are doing out here. We are good stewards of the environment.

Dennis stated that the quarterly report went to City Council with respect to what we had done at the end of last year. We've made some headway on two construction projects. We had good meetings last week with Burns Avenue and Magnolia. There will be action on both of those projects this week and next week. With respect to the casing, we are shocked, amazed and elated at the fast response we got from Conrail. We had a meeting and quickly worked it out with the contractor. We worked out a proposal with the casing as we came across we hit a piece of concrete. We have to open up the Boulevard, dig down to the casing, cut it back to where it's at a good elevation, push the pipe through, and do an open cut coming across. Luckily the issue happened outside of Conrail's easement and also the zone where the wheel load of the railroad comes down. We got a quick proposal from our engineer with a quick diagram. He sent me a letter, I signed it and scanned it and e-mailed it back to Conrail the next day they approved it. The normal permitting process is six months and beyond. We will put some steel sheeting in to support the soil towards the railroad track and put a box to hold it there. No one knew the concrete was down there. There was some horse trading. The contractor will pay for all of the manpower for several days of work. We have operating engineers on the excavator, front end loader, a Teamster on the truck, three or four laborers in the hole. We will pay for the DGA and asphalt to replace the road and equipment rental time. It will not be a daily rate for the equipment but monthly and the change order at the end of the job.

Hopefully there will be some things that aren't spent that will offset the change order. It was a reasonable way to close the issues.

Field Engineer

Bob Schwarz reported that he met with the contractor last week to discuss plans to continue with the Burns Avenue Sanitary Sewer project. A message board will be placed on Wednesday, February 19, 2014 for the closure of the South West Boulevard just south of Burns Avenue. Detour signs will be erected on Thursday, February 20, 2014. Weather permitting, South West Boulevard will be open cut and the 16" ductile pipe will be installed after the existing casing is removed on Monday, February 24, 2014. This portion of the project will take two days. The Mall has been notified.

Bob also reported that he had a pre-construction meeting last Thursday, February 13, 2014 with utility officials regarding McMahan and Magnolia and plans are to start construction this week. The contractor mobilized yesterday. By pass pumping is in operation. Detour signs have been posted. Construction is estimated to be approximately two weeks except for final restoration.

Bob stated that we received a call from Public Works Department about a flooding problem at Giampetro Park. They requested to use one of our pumps. LSA provided the equipment and some labor to accommodate the City. We sent a letter out to acknowledge shared service activity.

We continue to request a meeting between South State Construction and Babbitt Supply regarding 715-719 Park Avenue with respect to a sewer problem and financial obligation.

Solicitor

Nicole Curio stated that she had no report for the open meeting.

Chairman

Steve Errickson stated that he was glad to see the awards for two of our workers. They have been here for 20 years and speaks well of the organization here when you have people staying that long. The organizations benefits, the employees benefit and it also shows that it's a really good organization where people want to work. It's a workplace that's desired as opposed to other places. Here it seems that people want to stay and that means it's working very well.

Also in regards to the cedar trees, how important it is, in my mind cedars are endangered. When I was a young man down around Leesburg, Dorchester and Dennisville, they had thousands of acres of 100 or 200 year old cedar trees that they made into boats and houses and they are gone. What's left is like 25 and 30 year old stuff and no one is planting any more. Those trees were four, five and six foot in diameter and they were really something to see.

Dennis stated that they are resistant to rot and there was a recent article in the paper about several that were blown down by Sandy were harvested. The roots systems are not strong and they depend on each other for stability. A lot went down and they were shipped down South where they were used to restore historic buildings and parks.

Steve Errickson stated that with the kind of winter we have had, that is where all of the deer go. You wonder how they survive. They all herd up and go down in the cedar swamp. You will never find them unless you go down there. It's a real good thing for nature.

Issues and Correspondence:

Dennis reported that things are coming together with human resources and personnel. Just lately on Thursday, Friday and today we have been dealing with some personnel matters. You can see from the memo there is succession planning. We are looking at training someone for purchasing agent. We have had a shift manager resign on Friday and he had a good opportunity for him to move on as operations manager up at Gloucester County regional plant. There are a lot of us in the same age group like Clark retiring last year. We are going to post that position and also at the farm two of the guys are coming over here and two new guys coming in at the farm. We want to post the foreman position and promote someone at the farm to that position. At the very end of the memo I put the motion in for the kind of action we are looking for tonight to start the process of posting and depending on the response in house to go outside. It was very effective last time instead of going to the newspaper we went to the operator's association. They have all of the operators in South Jersey and it is much more effective for the interest level. We are looking with someone with at least a level 3 license, 4 is preferred but a level 3 license would work. The shift breaker would move into the vacation spots when people are out. We want to move one of our folks up to the purchasing manager position and also take the Rutgers classes so we will need to advertise for a clerical position to fill her position and to post the foreman position at the farm.

It was moved by Silva and seconded by Villar to post and/or advertise for purchasing manager, ag-site foreman and relief shift manager positions. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

Committee Reports:

Engineering/Plant

Dennis reported that we have discussed the two major pipeline projects. The manure project has reared its head again. Dennis stated that he was in contact with the Department of Agriculture and we gave them some information from five years ago. Dennis stated that he tried to reconstruct the numbers. We would have to build the vault, off loading facilities, fix the digester buildings for cow manure or the real idea would be

to get grease, oils and fats from restaurants, put them in the digester because it makes so much more methane. The generator has been here for seven years so we are beyond the five year window to be up and running.

Budget/Finance

Thomas Merighi reported that income is approximately \$33,250.00 or 4.16% over budget. Expenses are approximately \$149,772.00 or 18.73 over budget. The reason for that is we had a quarterly payment for general liability and also health insurance was paid twice in the month. Accounts receivable decreased approximately \$371,839.00. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Human Resources

Dennis stated that we took action tonight. Nicole and I have been working on another individual but without Rice notice we cannot discuss it.

Public Relations:

Dennis stated that the notices went out to the public schools for the Earth Day Poster Contest.

Insurance Committee

Carol Ricci reported that she will be starting the property and casualty process shortly. She also stated that we would be going out to market because of the dismal response time Glatfelter, the risk management firm for American Alternative Insurance, provided in the McMahon/Magnolia sewer collapse. The releases were finally mailed out last week to the five homeowners that were involved to pay their claims. This has been going on since October 30th. We had great interest from Travelers last time. It's not possible to eliminate Glatfelter from the chain of command because they are the risk consultants for American Alternative.

Dennis mentioned that Steve Errickson is involved with the county. Steve stated that he saved somewhere between \$20,000 and \$60,000. Carol asked if it was a JIF and Steven stated that it was. It's four or five counties and it is their first year in with a few bumps but the coverage is the same and we saved some money. Steve stated that it's the Cumberland County Insurance Commission. Carol stated that there are a lot of JIFs in the state. Steve said that he would e-mail all of the details.

Allocations/Administration

Dennis stated that Saturday's paper had a very glowing article about Safeway Freezers and they are up to 260 employees and we are not billing for that so Bob went up to look at them because they will owe use some money for future use and capacity as well. We're

glad they are expanding their company but they are nowhere near what we have on the record.

Bob stated that we found that Dietz and Watson had moved a lot of their operations into their facility and we did not know that because of the fire in Delanco.

Old Business:

Dennis stated that everyone was signed up for the AEA Spring Conference in Atlantic City.

New Business: None

It was moved by Silva and seconded by Villar that the Board move into closed session. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

Adjournment:

At 6:48 p.m. there being no further business to come before the Board, it was moved by Silva and seconded by Villar that the meeting be adjourned. Roll call: Reuben, Merighi, Villar, Silva and Errickson voted "yes".

THE LANDIS SEWERAGE AUTHORITY

CARLOS VILLAR, Secretary