

THE LANDIS SEWERAGE AUTHORITY
REGULAR MEETING
March 15, 2021

Pledge of Allegiance.

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

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

Chairman Reuben 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.

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| Also present: Dennis W. Palmer | Executive Director |
| Stephen D. Barse | Solicitor |
| Carol A. Ricci | Executive Assistant |

It was moved by Villar and seconded by Barse that the reading of the minutes of the regular meeting held on March 1, 2021 be dispensed with and the same be approved in the form submitted to all members by mail. Roll call: Barse, Villar, Errickson and Reuben 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 Barse and seconded by Errickson that Resolution No. 2021 – 32 “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.... \$77,308.94”, be adopted. Roll call: Barse, Villar, Errickson and Reuben voted “yes”.

It was moved by Barse and seconded by Villar that Resolution No. 2021 - 33, “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.... \$314,012.18”, be adopted. Roll call: Barse, Villar, Errickson and Reuben voted “yes”.

It was moved by Barse and seconded by Villar that Resolution No. 2021 - 34, “A Resolution of the Landis Sewerage Authority listing payments from the 2016 Bond Issue Construction Fund adopted July 5, 2016...” be adopted. Roll call: Barse, Villar, Errickson and Reuben voted “yes”.

It was moved by Barse and seconded by Villar that Resolution No. 2021 – 35, “A Resolution of the Landis Sewerage Authority authorizing the Executive Director to execute a final quantities change order with North American Pipeline Services LLC for slip lining of sanitary sewer pipelines at South Brookfield Street and Diane Court for a credit of \$49,418.02...” Be adopted. Roll call: Barse, Villar, Errickson and Reuben voted “yes”.

It was moved by Villar and seconded by Barse that Resolution No. 2021 – 36, “A Resolution of the Landis Sewerage Authority authorizing the Executive Director to execute a final quantities change order with South State, Inc. for Contract No. 6 for a credit of \$161,179.03...” be adopted. Roll call: Barse, Villar, Errickson and Reuben voted “yes”.

It was moved by Villar and seconded by Barse that Resolution No. 2021 – 37, “A Resolution of the Landis Sewerage Authority approving exemption from the competitive bidding requirements for the purchase of a Caterpillar Model 305E2 Mini Hydraulic Excavator through a contract with Sourcewell (formerly NJPA) issuing a Notice of Intent to award a contract with Foley Cat (authorized dealer) through Caterpillar, Inc. (vendor) at a price not to exceed \$65,978.00...” be adopted. Roll call: Barse, Villar, Errickson and Reuben voted “yes”.

Reports:

Executive Director

Dennis Palmer reported that the last resolution had to do with one of the co-ops with which we deal. Last week was the AEA conference which was virtual. Dennis stated he was a moderator for one of the panels. There was a lengthy discussion on integrity and security for your internet service and computer systems. Others were discussing operations, PFOS and PFOA.

Dennis reported that he and Anthony went to a meeting with the City which was a quarterly planning meeting with the engineer’s office, the electric utility, the water department and us. We discussed projects coming up and what streets are they looking at to pave next year so we can get in and TV the street first so if there’s any repair work, we can do it. They moved really quick from West Landis and that’s why we worked with the City doing the change orders. We still have not seen anything to reimburse the City but I saw a draft in Ricky’s office, but I’m not sure where it stands.

Today we received the bond, the insurance, the initial manning report and all of the things we need to issue a Notice to Proceed and Notice of Contract Award for the South Mill Road pipe project. We will schedule a pre-construction meeting with them.

Dennis stated that he worked with Steve for comments on our NJPDES fee and that public hearing is next week. We always complain about the fee and the key issues is they're supposed to update the whole system and have been promising since 2014. We're one of the largest groundwater dischargers get hammered because the smaller minimum fees have not been changed in about 13 years so as costs go up, everyone bears the cost who's not minimum fee. I also brought up environmental justice and social justice. If you look at the environmental justice map for Vineland, 75% of it qualifies for a burden community based on income, number of minority families or fluency in English. Our rate keeps going up which we pass on to those who have a lower ability to pay and it's not fair or equitable.

Field Engineer:

Since Anthony was not here, Dennis stated that we completed the closeouts with credits.

Solicitor:

Stephen Barse reported that he sent some comments to Dennis on Friday, regarding his prior report. Hopefully they will yield some results although we're not entirely optimistic about it and the next step would be some kind of appeal or challenge to it. Dennis stated that the good news is that last year we were in the middle of an appeal process with their tier program, if you're flow is under two million you pay so much and if it's over five million it goes higher. Through most of our existence, we were above five million but with COVID, last year our flow for the year was less than five million gallons per day so we want to be charged that lower fee. They're saying no, it's based on design flow. Our design flow is for the year 2040 and it's 10.2 million. We're just below five now and we should be charged for what you use.

Stephen Barse stated that the argument is that they want you to under build. Well, you don't build to current and you do not anticipate future development, it's inefficient and it's a good argument for the irrationality of their approach.

Dennis stated that we had a letter from our special counsel on the PFOS and PFOA and it dealt with asking for things from the agency which quantifies or establishes the records, they want you to do it during discover and I always thought the appellate division was based on the record and you don't have discovery. Stephen stated it was a false approach because you have to establish the record on appeal prior because that's what you base your legal arguments on. These are the facts and this is the record. They say let's wait until we have the appellate process going, you're arguing different sets of facts which you are really not supposed to do. Any appeal is typically based on a fact finding below whether its fact finding of a trial court and legal conclusions as well. The facts are

developed at a trial court or it's coming out of an agency at that level through hearings or hearings on the adoption of regulations or administrative hearings on challenges to it and that sets your record so that the panel that gets it says OK these are the facts that were developed and are they supported by the record. Usually, they will defer to factual findings at a lower level unless they are really arbitrary.

Chairman: No Report

Issues and Correspondence: It was moved by Barse and seconded by Errickson that the Executive Director be authorized to appoint an hourly Process Control Manager in accordance with the Executive Director's email to the Personnel Committee dated March 7, 2021. Roll call: Barse, Villar, Errickson and Reuben voted "yes".

Dennis stated that Steve Lewis went to City Council to ask for consideration for Gold Star families to have electric and water bills reduced by 10%. We had supported this in the past when it came people who were deployed, we would cut their bills. There's law that allows that but my understanding of Authority laws is that there's nothing for the Gold Star. I told Steve we support it but before we would do anything, we need a law. He stated he was working with legislators. Dennis stated that he sent an email to them saying we support the basic concept of it and also, we support Steve but we need the law first.

The emails you were sent about the interest and I followed up with one from Steve Testa and he had correspondence with DCA and they say sewer bills are out of it. They're taking less of a stance than last time. Our last motion we did in October, we stopped applying interest for both residential and commercial up to March 15th. The new executive order was totally silent when it came to sewer. Last time it was confusing, but this time it was totally silent and it focused on water, electric, gas and internet services. My feeling is that tied to the fact that a number of commercial operations are increasing capacity to 50%, restaurants, beauty parlors and others, we should just let it die and on our April 1st bill the interest should be applied. We've been putting on our bill for the last five months that we're not applying interest but it's accruing and will be effective March 15th. We want to open up the lobby again and when we send the late notices out, we'll say we can now accept credit card payments and the lobby is open. If they put it on their credit cards, we won't have a tax sale issue later in the year. If we do nothing tonight, the interest will be on the April 1st billing. The board was in agreement and Dennis stated that we have a responsibility under our bond covenants that we have coverage and that the income is sufficient to cover costs and we basically for five months plus we waived not having that interest income. The last mailing was about 3,000 account out of a total of 12,000 to 13,000 accounts that had some lateness. If we take no action tonight it will kick in by itself. No action taken.

Committee Reports:

Engineering/Plant:

Dennis stated that he went over to the County Planning office to have them help me with their GIS mapping because we were stuck on Utopia. DEP only accepts everything if it gets loaded. That project is moving a little further with DEP to get that in the service area. There was a draft letter on Sheridan but I don't know what's going on with that and they sent us a new one on Cavallo Drive by Rossi Middle School. They want to tie in and that's an easy one to move forward. We will be working up costs and getting back to the City on that issue.

Budget/Finance:

Perry Barse reported that income is \$99,214 or 5.3% under budget and expenses are \$97,111 or 6.1% under budget. Accounts receivables decreased \$297,662. The Authority continues to be affected by the economy and is keeping a close watch on its budget.

Human Resources:

Dennis reported that Friday is Bart's last day, we took action on Dave and we had a second interview today for an electrician position. It looks like our assistant for maintenance, who is also our senior electrician is looking at February, 2022 to retire. Our succession planning is for the last five years and probably will go for a couple more. We have another in June and one at the end of the year.

Public Relations: No Report

Insurance Committee: No report

Carol Ricci stated that she met with our agents for Commercial Liability via conference call regarding the renewal for July 1st. Carol stated that we can expect a 2% increase in premiums which is minimal since we increase the values on all property 2% each year. We increased the value on the Brewster & Landis Pump Station to \$1,000,000 because of the major overhaul which was completed and the endorsement is approximately \$500. Our loss ratios remain low, we have updated the payrolls and we're working on the replacement costs for all equipment on anything over \$25,000. We have a lump sum of \$750,000 that covers tools, lawn mowers, etc. There will be no changes in excess liability or employee benefits as well as quake and flood coverage.

We can count on Public Officials Liability increasing approximately 5% since that market is hardening because of claims, not by us, but in general and we will be going out to market for Cyber Liability as the premiums as that market is also hardening and will continue to harden because of cybercrime. All policies will be ready for June 1st. The really good thing is that we have not had to schedule anyone for a COVID test.

Allocations/Administration:

Dennis reported that we're moving our operations back to five days a week on the 22nd and the following week we will be opening the lobby again.

Old Business: None

New Business: None

Adjournment:

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

THE LANDIS SEWERAGE AUTHORITY

CARLOS VILLAR, Secretary