

**RAHWAY VALLEY SEWERAGE AUTHORITY**

**Summary of Minutes**

**Regular Meeting held January 19, 2006**

- Communications  
Letter from Richard Tokarski to NJDEP re Force Majeure.  
Letter from NJDEP to Richard Tokarski.
  
- Minutes  
Approved the minutes of the Regular Meeting held December 15, 2005.
  
- Treasurers Reports  
Treasurer's reports for the month of November 2005 were received.
  
- Executive Director  
Sewer Connection, the status of various contracts and personnel related matters.
  
- Consulting Engineer  
Overview of contracts; flow rights and user charge reports.
  
- Counsel  
Overview of legal matters.
  
- Committees  
Reports were made by the Engineering, Finance, Sludge, Legal and Public Relations Committees.
  
- Unfinished Business  
Approved Amendment to Termination Policy; and approved amendment to 2006 Budget Resolution.
  
- New Business  
Approved the following: Purchase of Security; Assessment of fee to applicants for changes to WQMP and Service Area Maps; Amend PSA with PS&S on Contract #145 for an additional amount of \$49,800.00; Change Order #2 on Contract #145 with W.D. Synder at no additional cost; TWA for Township of Clark; TWA for the Township of Scotch Plains to PARSA; Adopted Pay to Play procedure; Amendment to Deferred Compensation Plan; Amended mileage reimbursement allowance; Rescinded Award of Contract #0616 to Peregrine Associates and Awarded Contract #0616 to Avogadro Environmental Corp. in an amount of \$14,025.00.

Rahway Valley Sewerage Authority  
Summary of Minutes (Cont'd.)  
January 19, 2006

- Bills and Claims

|                           |      |                |
|---------------------------|------|----------------|
| OPERATING FUND            | 5-01 | \$921,140.80   |
| BUILDING & EQUIPMENT FUND | 5-02 | \$6,766,949.63 |
| OPERATING FUND            | 6-01 | \$430,144.56   |
| TOTAL ALL FUNDS           |      | \$8,118,234.99 |

The Chairman called the meeting to order at 8:00 p.m.

The Chairman read the statement on “Open Public Meetings Law”.

In accordance with the requirements of the Open Public Meeting Act, State of New Jersey, adequate notice of this meeting has been provided by the inclusion of the date, time and place in a Notice which was forwarded to the Star Ledger, the Home News Tribune and was filed with the Clerk of each of the eleven member municipalities on February 15, 2005.

The Chairman asked if any member of the body believed that this meeting was being held in violation of the provisions of the Open Public Meetings Act; to please state their objection and the reasons for same.

Hearing no objections, the Chairman stated we shall proceed with our regularly scheduled meeting.

The Chairman requested that everyone stand to salute the Flag.

**Roll Call**

The following members were present:

- |                       |                                                 |
|-----------------------|-------------------------------------------------|
| Rosalie F. Berger     | for the Township of Springfield                 |
| Allen Chin            | for the Town of Westfield                       |
| C. Clark Landale      | for the Borough of Mountainside                 |
| Charles Lombardo      | for the Borough of Garwood                      |
| Robert G. Luban       | for the Township of Woodbridge                  |
| John C. Ludington, II | for the City of Rahway                          |
| Frank G. Mazzarella   | for the Township of Clark (Via Conference Call) |
| Thomas J. McHale      | for the Borough of Kenilworth                   |
| James J. Murphy       | for the Township of Cranford                    |
| Joan Papen            | for the Township of Scotch Plains               |
| * Attilio S. Venturo  | for the Borough of Roselle Park                 |

\* Arrived after roll call.

The following were also present:

- |                         |                             |
|-------------------------|-----------------------------|
| Richard P. Tokarski     | Executive Director          |
| Robert J. Materna       | Secretary-Treasurer         |
| Joanne Grimes           | Office Administrator        |
| Michael J. Brinker, Jr. | Chief Engineer              |
| James Wancho, P.E.      | Consulting Engineer         |
| Brian Hak, Esq.         | Counsel                     |
| Daniel Ward             | RVSA Maintenance Supervisor |
| David Patrick           | Biosolids Supervisor        |

**Communications**

The following letter was sent November 21, 2005, from Richard Tokarski to the NJDEP and ALS regarding the JCO and Force Majeure on Contract #105:

“With reference to the above subject, and in accordance with Paragraph 34 of the Final Order filed on October 12, 2001 and the First Revision filed on May 10, 2005, the Rahway Valley Sewerage Authority is advising all parties that the requirements of Phase I Improvements-Auxiliary Power (Paragraph 2) will not be met within the timeframe stipulated. As a consequence, the Authority declares a Force Majeure event due to the nature of the circumstances involved.

Due to circumstances beyond the control of the Authority, the Contractor has indicated that an extension of time until August 31, 2006 is required for completion of the project and full-time operation.

Paragraph 2 of the Final Order required that the Phase I improvements for an adequate source of auxiliary power be completed and the facility placed into operation no later than 31 months from the date of issuance (June 3, 2003) of the Stage II/Stage III TWA. This completion date is January 3, 2006, a date which the Contractor, J.H Reid, formally indicated at our last progress meeting of November 10, 2005, could not be met.

The Contractor, in accordance with Article LIV of the Contract (Documents) has provided, in a letter dated October 25, 2005, notice of his inability to comply with the contractual completion date. On or about October 27, 2005, Michael Brinker, Chief Engineer of the Authority, spoke with Bryan Barrett of the NJDEP regarding the Contractor’s notification. Additionally, on that same date, the Authority’s General Counsel, Brian Hak, spoke to Deputy Attorney General, Susan Savoca and informed her of same. The Contractor’s correspondence was further discussed in detail at the November 10, 2005 progress meeting at which time the Contractor noted that a date of August 31, 2006 would be needed for their completion and testing of all components. Finally, on November 17, 2005, during a visit by Bryan Barrett to the project sites for Contracts Nos. 155 and 156, the delay in completing Contract No. 105 (Auxiliary Power) was again discussed. In subsequent conversations amongst the Authority staff and Consultants (Design and Construction Management), it is the conclusion that a deadline of September 30, 2006 would be adequate for the transition of the facility from the Contractor to the Authority.

The Contractor has cited the following reasons for their extension request:

- A. the addition of a 4<sup>th</sup> engine generator set to a project that had been designed, bid and awarded on the basis of 3 engine generator sets,
- B. the addition of the 4<sup>th</sup> set required a review and update of the facility’s Title V operating permit. The permitting application process generated a number of issues regarding the finalization of the emissions controls and exhaust heat recovery equipment and testing requirements,

- C. concurrent with the 4<sup>th</sup> set addition, modifications were required in the engine room ventilation system, exhaust gas heat exchangers, evaporative air handler, bypass valves and silencers, breeching, additional roof penetrations and structural steel revisions for ancillary equipment,
- D. the incorporation of a 4<sup>th</sup> set into the facility also required design changes and fabrication delays to the electrical switchgear and the electrical intertie gear, both of which required the approval from the local utility,
- E. DCA requirements for fire protection/sprinkler system that are more elaborate than originally contemplated in the construction documents.

The Authority and its Consultants have reviewed the documentation provided by the Contractor and support the request for a time extension as a result of the issues cited that are associated with the addition of a 4<sup>th</sup> engine generator set.

The need for a 4<sup>th</sup> set was not anticipated when the project was originally finalized since the design, bid and award preceded the conclusion of the design of Contract No. 155, Wastewater Treatment Plant (WWTP) Improvements. Three sets were calculated to be adequate to support the required electrical loads as a result of the WWTP expansion. However, further analysis of the final electrical requirements of the expanded WWTP revealed that a 4<sup>th</sup> set would be needed. The 4<sup>th</sup> set was added as an approved Change Order by the NJDEP and the NJEIT.

The delay has been caused by circumstances beyond the control of the Authority and the Authority has taken all necessary actions to minimize the delay. Therefore, we request that a declaration of a Force Majeure event be accepted and an extension of the required completion date noted in Paragraph 2 be extended to September 30, 2006.

Should you wish to discuss this matter in greater detail please contact us.”

Mr. Mazzarella asked why sprinklers were not included in the design, Mr. Brinker stated that it wasn't required.

The following letter dated January 3, 2006, was received from James Hamilton, Administrator of the NJDEP Water Compliance and Enforcement Div., in response to the Authority's letter dated November 21, 2005 (above):

“This letter serves as a response to the above referenced Force Majeure request. RVSA is claiming a Force Majeure due to the nature of the circumstances involved.

The Department is aware of the circumstances involved in the construction of the Phase I improvements for an adequate source of auxiliary power that were to be completed and placed into operation no later than 31 months from the issuance of (June 3, 2003) of the

Stage II/Stage III TWA #03-0180. This completion date is January 3, 2006.

The Department has reviewed the information provided to date, conducted site inspections, and conversed with RVSA representatives regarding the cited circumstances and has determined that it does meet the Force Majeure conditions, as specified in Paragraph 34-36 of the October 12, 2001 Judicial Consent Order (the "JCO"), as modified May 10, 2005. Although the majority of the construction is completed, the addition of the fourth engine and the design changes caused reevaluation and modification of the Phase I Cogen/Auxiliary power construction project under Contract #155. In addition further operation, safety, and training concerns are to be addressed as a result of the design changes. As a result, the Force Majeure request is hereby granted. The paragraph 2d construction and operate milestone deadline of January 3, 2006 is extended until September 30, 2006. The Department will continue to monitor the construction progress of the Phase I Improvements.

Please direct all inquiries to Bryan Barrett, of my staff, at 609-584-4200, or by letter through this office."

Mr. Brinker added that it should be noted that the State refers to Contract #155 when in fact it should be Contract #105.

### **Approval of Minutes**

Mrs. Papen made a motion, seconded by Mrs. Berger, to approve the minutes of the Regular Meeting held December 15, 2005. The motion was unanimously approved with the exception of Mr. Luban, Mr. McHale, Mr. Murphy and Mr. Venturo who abstained.

### **Report of Treasurer**

The Treasurer's Reports for the month of November 2005 have been distributed to the Commissioners for review and have been attached to the Minutes.

### **Report of Executive Director**

#### **Sewer Connection Endorsements**

The following is a list of Sewer Treatment Endorsements processed between 12/13/05 and 1/17/06:

| <u>Number</u> | <u>Date</u> | <u>Applicant</u>   | <u>Municipality</u> |
|---------------|-------------|--------------------|---------------------|
| 823-05-CL     | 12/14/05    | Vincent Corsentino | Clark               |
| 824-05-RW     | 12/20/05    | Greg Antonucci     | Rahway              |
| 825-05-WB     | 12/27/05    | Jay R. Pater       | Woodbridge          |
| 826-06-WF     | 01/04/06    | Joe Faris          | Westfield           |

827-06-WB 01/10/06 Mehul Patel  
828-06-CL 01/13/06 Humberto Leiva

Woodbridge  
Clark

### Monthly Reports

The following monthly reports were received and distributed to the Commissioners:

PS&S - Monthly Engineering Committee & Monthly Reports  
CCMS - Contract #105 – Cogeneration Facility, Monthly Report  
CCMS - Contract #155 – WWTP Upgrade, Monthly Report  
CCMS - Contract #156 – Gravity Relief Sewer, Monthly Report  
Weiner Lesniak - Monthly Report  
Murray Montgomery & O'Donnell – Monthly Report

### United Water

Mr. Christopher Riat of United Water, along with other members of his firm attended the Engineering Committee Meeting and made a presentation to the Commissioners on how their company may be of service to the Authority.

### Contract #145 – Renovation of Old Laboratory/Administration Bldg.

PS&S has submitted Change Order #2 for W.D. Snyder of Kenilworth, NJ, for a 132 day time extension on this contract, at no additional cost, total contract amount remains unchanged at \$683,008.00. PS&S has review the Change Order and recommends approval, the Executive Director concurs. The matter was discussed at the Engineering Committee Meeting and a motion is on the agenda under New Business.

### Contract #145 – Renovation of Old Laboratory/Administration Bldg.

PS&S submitted a proposal dated January 6, 2006, for continuation of construction phase services at a proposed cost of \$49,800.00, total amended contract amount of \$225,260.00. These services are required in conjunction with the work being performed on Contract #145 by W.D. Snyder. The Executive Director recommends approval. The matter was discussed at the Engineering Committee Meeting and a motion is on the agenda under New Business.

### Treatment Works Endorsement Application

EKA Associates on behalf of Hidden Meadows Development and the Township of Scotch Plains, submitted an application whereby a portion of the property lies within the RVSA service area and the other portion lies within the PARSAs service area. The applicant is seeking approval from this Authority to amend our WMP and related map in order for the entire development to be serviced by PARSAs. The application is for a total 1,800 gpd. PARSAs has submitted documentation acknowledging their approval of the modification and acceptance of the additional flow. The Chief Engineer has reviewed the documentation and recommends approval. The Executive Director concurs. The matter was discussed at the Engineering Committee Meeting and a motion is on the agenda under New Business.

Treatment Works Endorsement Application

The Township of Clark submitted a Treatment Works Application for a development known as Charlotte Drive Estates located on Raritan Road in the Township of Clark. The application is for a gravity sewer system to service 8 new single family homes and will generate approximately 2,400 gpd of new flow. The Chief Engineer has reviewed the application and recommends approval. The Executive Director concurs. The matter was discussed at the Engineering Committee Meeting and a motion is on the agenda under New Business.

Grievances

The monthly report from the Superintendent was received and has been distributed to the Commissioners.

**Report of Consulting Engineer**

The following report to the Authority Board summarizes our activities for the period of December 10, 2005 through January 13, 2006.

Addition of Centrifuge at Sludge Dewatering Building - Contract #132

No activity.

JCO Compliance

The RVSA has advised the NJDEP in writing regarding the issue with meeting the JCO construction completion milestone for Contract 105. PS&S will work with the Authority and General Counsel to seek a JCO modification. The next JCO Quarterly Report is due by the end of January 2006.

Laboratory Renovation-Contract #145

PS&S is currently reviewing contractor submittals and providing construction observation of Contractor activities. The Contractor has completed the installation of the new roof and roof top HVAC unit and is currently installing windows, ductwork and hot water supply/return piping. The Contractor, WD Snyder, has requested a 132 day additional time extension. This would make the previous time extension consistent with the issuance of the Building Permits.

Rehabilitation of Digesters 2 & 3- Contract #147

PS&S is in the process of closing out Contract #147. The Contractor is currently completing punch list items, preparing record plans and finalizing operation and maintenance manuals.



Administrative Appeals Re Air Quality and TWA Permits

The revised WMP document was previously submitted to NJDEP; however, there continues to be issues with the NJDEP on NJPDES permit mass limits and the WMP design-capacity, which is related to both the NJPDES permit negotiations and the WMP document submittal. Follow-up activities are ongoing, coordinated by General Counsel.

Trunk Sewer Rehabilitation - Contract #144

PS&S has modified the contract plans based on the Chief Engineers comments and is preparing the bid notice for advertisement and will issue the documents for bidding after incorporating the specification comments.

Cogeneration Funding

PS&S continues to track the status of the BPU Office of Clean Energy Renewable Energy Advanced Power Program grant application and respond to NJBPU questions. Based on correspondence received from the BPU, the application is conditionally approved for \$1,360,000. PS&S has responded to questions concerning the project cost estimate. The BPU would like to take action on the grant award at their February 2006 meeting.

Cogeneration Facility- 4th Engine Design/Permitting

PS&S has finalized and submitted the permit application to NJDEP. PS&S is currently tracking the permit application process.

User Charge and Flow Rights Reports

The January User Charge and Flow Rights reports, covering December 2005 has been finalized and submitted. PS&S has reissued the final 2005 User Charge Report summary due to an error in the totals. There is no impact to the data and or calculations related to the allocations.

Mr. Mazzarella stated that he wished to take this opportunity to thank Mr. Brinker, Mr. Tokarski, Mr. Gencarelli and Mr. Wancho for gathering the requested information and forwarding it to the Township of Clark.

**Report of Counsel**

The following is a summary of all General Counsel services that have been provided by this office to the Rahway Valley Sewerage Authority for the time period covering December 14, 2005 through January 17, 2006.

CSP Improvements & related issuesContract #155 & #156

Continued to follow up with CCMS regarding insurance coverage expirations. CCMS has provided an updated insurance certificate showing a renewal of its general and excess liability insurance policies that expired on November 24, 2005. All policies are now current.

The Woodbridge Township Building Department has advised the Authority that it will not issue any building permits on the CSP Project until it receives final approval from the Middlesex County Planning Board. We are presently working with the Consulting Engineer on submitting the revised plans that are required by the Middlesex County Planning Board in order to receive such approval.

Chairman Chin has asked that we research the possibility of renegotiating our construction contracts due to the decline in the price of steel. We will report back to the Board.

Parker Street

Prepared two (2) conservation easements to be conveyed to NJDEP. One is for a pedestrian walkway over Parker Street and Avon Way leading to the Rahway River and the other is for the wetlands transition area. We received comments from NJDEP and have made the requested revisions to the easement documents and have forwarded them to the City of Rahway and NJDEP for execution. We have received an executed copy from the City of Rahway and are awaiting the same from NJDEP.

New Jersey Environmental Infrastructure Trust Financing

Received and reviewed various documents from, and had numerous discussions with, bond counsel and the Authority's financial advisor regarding the Authority's 2005 NJEIT application.

Judicial Consent Order

Discussed with the Attorney General's office the Authority's inability to meet the JCO milestone regarding the completion of the cogeneration facility. The Attorney General requested that the Authority submit a letter to NJDEP pursuant to the force majeure provisions of the JCO with respect to this issue. After our review the Executive Director has sent the letter to NJDEP. NJDEP has responded and approved the Authority's request for an extension of the JCO milestone regarding the completion of the cogeneration facility determining it to be a force majeure event.

Administrative Appeals Re: Air Quality Permit and Treatment Works Approval

Working with consultants and co-counsel on appealing conditions of the Air Quality Permit and Treatment Works Approval that have been issued for the CSP Project. A hearing date has been scheduled for April. We have sent a follow-up letter to NJDEP regarding the outstanding settlement issues.

Barnett Street Acquisitions

A surveying error has caused the pipe for the gravity relief sewer to be laid slightly off course and outside of the public right-of-way necessitating the acquisition of two (2) relatively small easements from two private property owners. With the assistance of the contractor, we are preparing the necessary documents for the acquisition of the easements. The contractor will reimburse the Authority for all legal costs incurred.

MiscellaneousMethane Gas from City of Linden Landfill

On December 8, 2005 we received a call from John Ziemian, the City Engineer for the City of Linden. Mr. Ziemian reported that the test wells have been installed but he has not received the results on the quantity and quality of the gas. We conveyed to him the RVSA's continued interest in the methane gas. Mr. Ziemian also stated that General Motors has expressed an interest in the gas in connection with its cogeneration plant. Mr. Ziemian promised to contact us after he receives the results. We have followed-up in telephone call to the City and we have been advised that the report being prepared for the City will take another week to 10 days to be completed.

NJPDES Permit Appeal

Met with NJDEP and have been able to resolve most of the outstanding issues and have made significant progress on the remaining issues. The hearing scheduled for May 24, 2005 has been adjourned in order to permit a settlement conference to be held between the parties to discuss the remaining issues. A settlement conference was held with NJDEP on November 22, 2005 at which time NJDEP requested more information from the RVSA. The requested information is currently being supplied. We have sent a follow-up letter to NJDEP regarding the outstanding settlement issues.

Contract #132 – New Centrifuge

Pursuant to the Board's direction, sent letter to surety dated October 27, 2005 advising that the Authority will take legal action unless the surety makes a good faith response to the Authority's claim in the amount of \$175,440.76. Surety's counsel has responded within the requisite timeframe and we are presently in discussions regarding a resolution of the matter. The amount of the RVSA's claim has been readjusted to \$111,989 to reflect the contract balance that was held by the RVSA in the amount of \$63,451.76 ( $\$175,440.76 - \$63,451.76 = \$111,989$ ). The surety has, thus far, verbally agreed to pay a portion of the adjusted claim amount.

Miscellaneous Contracts

Performed legal research regarding issues involving the natural gas contract after the third attempt to solicit bids resulted in no bids being received.

New Local Unit Pay-to-Play Legislation

Researched new pay-to-play legislation that becomes effective on January 1, 2006. A discussion was held regarding this issue at the last Engineering Committee meeting. A resolution has been prepared for the Board's consideration regarding the contract for General Counsel services.

\* Mr. Venturo arrived at this time, 8:15 p.m.

**Committee Reports**

Chairman: Are there reports from any of the following Committees:

Engineering Committee (Frank Mazzarella, Chairman)

Mr. Mazzarella stated that an Engineering Committee Meeting was held January 12, 2006, at which time several items were discussed. Items which require action are on the agenda under New Business.

Finance Committee (Charles Lombardo, Chairman)

Mr. Lombardo stated that a Finance Committee Meeting was held earlier this evening, at which time several items were discussed. Items which require action are on the agenda under New Business.

Personnel Committee (Robert G. Luban, Chairman)

No report.

Sludge Management Committee (Attilio S. Venturo, Chairman)

Mr. Venturo stated that a report regarding the reuse of our Biosolids was distributed to the Commissioners. He added that staff members are working on obtaining more information regarding this matter, however, the information is slowly forthcoming.

Commissioner Handbook Committee (Thomas J. McHale, Chairman)

No report.

Computer Committee (C. Clark Landale, Chairman)

No report.

Insurance Review Committee (Joan Papen, Chairwoman)

No report.

Legal Committee (Joan Papen, Chairwoman)

Mrs. Papen stated that the Pay to Play Policy was discussed at the Finance Committee Meeting held earlier this evening. Action will be taken under New Business.

Nominating Committee (Robert G. Luban, Chairman)

Mr. Luban stated that the Nominating Committee informally met earlier this evening and will be offering their recommendation of Mr. Murphy for Chairman and Mr. Venturo for Vice Chairman at the February reorganization meeting.

Public Relations Committee (Rosalie F. Berger, Chairwoman)

Mrs. Berger stated that our public relations consultant and photographer will attend the February reorganization meeting in order to take pictures to be sent out with the press releases.

Retreat Committee (Allen Chin, Chairman)

No report.

Security Committee (John C. Ludington, Chairman)

No report.

**Unfinished Business**

The Chairman stated that at the December 15, 2005 meeting, Mr. Ludington made a motion, seconded by Mr. Lombardo, approving a new policy, to be made part of the Employee Handbook, specifically as Article XXXIII – TERMINATION, outlining the pay to be provided to an employee who resigns or is terminated, specifically covering vacation time, personal days, compensatory/flex time, sick time and severance, as outlined in a copy of the proposed policy dated 09/08/05, which was distributed to the Commissioners and as recommended by the Executive Director. The motion was unanimously approved.

When that motion was prepared for the agenda, Mrs. Grimes wrote “proposed policy dated 09/08/05”, however, the proposed policy was updated as requested by the Commissioners and the correct dated version is 10/17/05 (copy attached). Since this motion has not been executed, it can be rescinded and amended.

The Chairman asked for a motion to rescind the aforementioned motion.

Mr. Luban made a motion, seconded by Mr. Lombardo to rescind the aforementioned motion.

The motion to rescind was unanimously approved.

Mr. Ludington made a motion, seconded by Mr. Mazzarella, to amend the motion as follows: approving a new policy, to be made part of the Employee Handbook, specifically as Article XXXIII – TERMINATION, outlining the pay to be provided to an employee who resigns or is terminated, specifically covering vacation time, personal days, compensatory time, sick time and severance, as outlined in a copy of the proposed policy dated 10/17/05, which was distributed to the Commissioners and as recommended by the Executive Director. The motion to amend was unanimously approved.

The motion as amended was unanimously approved.

The Chairman stated that at the December 15, 2005 meeting, Resolution #05-91 approving the 2006 Budget was offered by Mr. Lombardo, seconded by Mrs. Papen and approved with the exception of Mr. Mazzarella who voted against. There was a dollar figure omitted in the resolution as presented, however, the amount was reflected in the Budget document as distributed. Therefore, the resolution that was approved needs to be rescinded and subsequently amended.

The Chairman asked for a motion to rescind Resolution #05-91. Mr. Lombardo made a motion to rescind Resolution #05-91, seconded by Mrs. Papen and unanimously approved.

Mr. Lombardo made a motion, seconded by Mr. Luban, to amend Resolution #05-91 to reflect that the Total Unreserved Retained Earnings planned to be utilized as funding thereof, is in the amount of \$525,000.00, as was indicated in the 2006 Budget presented to the Commissioners. The motion to amend the resolution was unanimously approved.

RESOLUTION #05-91 (As amended)  
RAHWAY VALLEY SEWERAGE AUTHORITY  
FISCAL YEAR: From January 1, 2006 to December 31, 2006

WHEREAS, the Annual Budget and Capital Budget for the Rahway Valley Sewerage Authority (“Authority”) for the fiscal year beginning January 1, 2006 and ending December 31, 2006 has been presented before the governing body of the Rahway Valley Sewerage Authority at its open public meeting of December 15, 2005; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$16,305,000.00, Total Appropriations including any Accumulated Deficit if any, of \$16,305,000.00 and Total Unreserved Retained Earnings utilized of \$-; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$81,500,000.00 and Total Unreserved Retained Earnings planned to be utilized as funding thereof, of \$525,000.00; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient

revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulations or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Rahway Valley Sewerage Authority, at a open public meeting held on December 15, 2005, that the Annual Budget, including appended Supplemental Schedules, and the Capital Budget/Program of the Rahway Valley Sewerage Authority for the fiscal year beginning January 1, 2006 and ending December 31, 2006 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Rahway Valley Sewerage Authority will consider the Annual Budget and Capital Budget/Program for adoption at its next available meeting.

The resolution as amended was unanimously approved.

**New Business**

The following Resolution #06-01 as offered by Mr. Lombardo, on motion of Mr. Lombardo, seconded by Mr. Luban and unanimously approved.

BE IT RESOLVED that the officers of the Rahway Valley Sewerage Authority be and are hereby authorized to purchase from JP Morgan Chase of Fairfield, New Jersey for the Operating Fund, the following Certificate of Deposit:

| Amount         | Rate  | Maturing |
|----------------|-------|----------|
| \$1,004,288.89 | 4.14% | 02/07/06 |

The following Resolution #06-02 as offered by Mr. Lombardo, on motion of Mr. Lombardo,

seconded by Mr. Ludington and unanimously approved.

WHEREAS, the Rahway Valley Sewerage Authority has adopted a Wastewater Quality Management Plan (WQMP) and related Service Area Map; and

WHEREAS, on occasion the Rahway Valley Sewerage Authority receives applications from applicants whose property lies within the boundaries of the Rahway Valley Sewerage Authority service area, however, who are seeking to have their property removed from our service area and to be serviced by another sewerage authority; and

WHEREAS, on occasion the Rahway Valley Sewerage Authority receives applications from applicants whose property lies outside the boundaries of the Rahway Valley Sewerage Authority service area, and who are seeking to have their property included in our service area and to be serviced by this Authority; and

WHEREAS, when said applications are approved by the Rahway Valley Sewerage Authority, there is a need to amend the Authority's WQMP and related Service Area Map; and

WHEREAS, such amendments cause the Authority to incur costs from their consulting engineer; and

WHEREAS, in order to offset such costs, the Authority is establishing a policy that said applicants shall be required to pay the Authority a fee of \$500.00 in order for the Authority to amend such WQMP and related Service Area Map and to receive a copy of same.

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that it hereby approves the assessment of a fee of \$500.00 payable by applicants who are seeking to amend the Rahway Valley Sewerage Authority's WQMP and related Service Area Map; and

BE IT FURTHER RESOLVED, that said fee shall be submitted to the Authority prior to the Authority considering any such applications or making any such revisions; and

BE IT FURTHER RESOLVED, that said fee shall be in addition to any and all other fees associated with the submission and review of an application by this Authority.

The following Resolution #06-03 as offered by Mr. Mazzarella, on motion of Mr. Mazzarella, seconded by Mr. Luban and unanimously approved.

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolutions #02-73 and #05-34 and related Agreements for the purpose of engaging Paulus, Sokolowski & Sartor (PS&S) of Warren, NJ, for Professional Services specifically related to Contract #145 – Rehab of the Old Laboratory Bldg.; and



WHEREAS, the Authority has determined that there is a need to amend this agreement; and

WHEREAS, PS&S submitted documentation reflecting the need for additional monies related to the contract; and

WHEREAS, the additional amount to be authorized for this Contract is \$49,800.00; and

WHEREAS, the Secretary-Treasurer of the Authority, who is the Chief Financial Officer, hereby certifies that the necessary funds for said contract are available in the 2006 Annual Budget.

WHEREAS Professional Services have been determined to be exempt from public bidding under Title 40A.

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that the previously adopted Resolutions and related Agreements with Paulus, Sokolowski & Sartor in an amount of \$175,460.00 be and are hereby amended to provide for the increased contract amount of \$49,800.00 resulting in a total contract not to exceed \$225,260.00; and

BE IT FURTHER RESOLVED that the Chairman and Secretary are authorized to execute an amendment to the Professional Service Contract previously entered into; and

BE IT FURTHER RESOLVED that a "Notice of Award" be published in accordance with law.

Mr. Mazzarella made a motion, seconded by Mr. Lombardo, approving Change Order #2 on Contract #145 - Renovation of Old Lab Bldg. to W.D. Snyder, specifically for a time extension of 132 days, at no additional cost, therefore the total contract amount remains unchanged at \$683,008.00, as recommended by the Executive Director and the Engineering Committee. The motion was unanimously approved.

The following Resolution #06-04 as offered by Mr. Mazzarella, on motion of Mr. Mazzarella, seconded by Mr. Murphy and unanimously approved.

WHEREAS, the Township of Clark has filed an application for a Treatment Works Application for a development to be located on Raritan Road in the Township of Clark, State of New Jersey; and

WHEREAS, the application is for the construction of 8" gravity sewer to service 8 single family homes, and the demolition of a single family home which presently exists on the property, with a proposed additional flow of 2,100 gpd; and

WHEREAS, the flow from foregoing will not cause the Authority to exceed its permitted flow of 40 mgd; and

WHEREAS, these applications have been reviewed by Michael Brinker, Chief Engineer, and found it to be in order.

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that it does hereby accept and approve the aforesaid applications.

The following Resolution #06-05 as offered by Mrs. Papen, on motion of Mrs. Papen, seconded by Mr. Mazzarella and unanimously approved.

WHEREAS, the Township of Scotch Plains has submitted an application on behalf of EKA Associates to the Plainfield Area Regional Sewerage Authority (PARSA) for property located on Morse Avenue in the Township of Scotch Plains; and

WHEREAS, said application is for a sewer connection to serve six single family homes with an estimated flow of 1,800 gpd; and

WHEREAS, the Rahway Valley Sewerage Authority (RVSA) adopted a Water Quality Management Plan (WQMP) pursuant to regulations adopted by the New Jersey Department of Environmental Protection (NJDEP) requiring it to delineate the RVSA's sewer service area; and

WHEREAS, the aforementioned property is considered to be in the sewer service area of the RVSA; and

WHEREAS, the RVSA has determined that the aforementioned property is on the border of the RVSA / PARSA services areas; and

WHEREAS, the aforementioned property located within the Township of Scotch Plains demonstrates unique topography such that it will flow by gravity to the PARSA; and

WHEREAS, the PARSA has agreed to accept the flow from this property and will make the necessary modifications to its service area contingent upon the RVSA stating that it has no objection to the connection and making the necessary modifications to its WQMP and related Service Area Map.

NOW, THEREFORE, BE IT RESOLVED by the RVSA that the RVSA poses no objection to the aforementioned property connecting into the PARSA contingent upon:

In accordance with N.J.A.C. 7:15, the RVSA has been designated Wastewater Management Plan (WMP) responsibility for their sewerage service area. This requires the RVSA to "prepare, submit and periodically update a wastewater management

plan....and provide comments on proposed amendments to wastewater management plan amendments." Any governmental unit or person that prepares an amendment to the Authorities WMP must, in accordance with N.J.A.C. 7:15-5.22 notify and seek comments from the RVSA.

In order for the RVSA to maintain an updated WMP document, including updated service area mapping, it is recommended that upon completion of the WMP amendment process, which includes amendment to the applicable Water Quality Management Plan (WQMP) by the NJDEP, that the RVSA, and/or their designated consultant, update any applicable text portions of the WMP and the corresponding service area mapping so that it is consistent with the approved WMP and WQMP amendment. The RVSA should institute an application type fee at the time of application to fund the WMP edits. All documentation required for review by the RVSA, or their designated consultant, including NJDEP WMP/WQMP Amendment application, revised WMP text, and revised WMP mapping, would be the responsibility of the applicant. The RVSA would be responsible for reviewing the application and, if acceptable, issuing a Resolution of approval for use by the Applicant in the WMP process, and in maintaining their WMP document.

Receipt of endorsement from the NJDEP on the TWA application; and

Receipt from PARSA of verification that it has made the necessary changes to its service area and WQMP and that it accepts the RVSA making the corresponding changes to its service area WQMP; and

Receipt of endorsement from the NJDEP approving modifications to the RVSA's and PARSA's service areas and related maps; and

Receipt of endorsement from the NJDEP approving the modifications to the WQMP's and related map's; and

Paid the applicable fee of \$500.00 to the RVSA for the revisions to the RVSA WQMP, and related map; and

BE IT FURTHER RESOLVED, by the RVSA that upon approval by the NJDEP, the aforementioned property will no longer be considered to lie within the service area of the RVSA nor be serviced by the RVSA.

The following Resolution #06-06 as offered by Mrs. Papen, on motion of Mrs. Papen, seconded by Mr. Lombardo and unanimously approved.

REQUESTING QUALIFICATIONS FOR THE AWARD OF A CONTRACT THROUGH A FAIR AND OPEN PROCESS IN ACCORDANCE WITH N.J.S.A. 19:44A-20.5, ET SEQ.

WHEREAS, the Rahway Valley Sewerage Authority has a need to award contracts for various outside services, through a fair and open process pursuant to the provisions of N.J.S.A. 19:44A-20.5; and

WHEREAS, said services, such as “Professional Services” and “Extraordinary Unspecifiable Services” are exempt from the public bidding requirements of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq.

NOW, THEREFORE, BE IT RESOLVED, by the Rahway Valley Sewerage Authority, County of Union, State of New Jersey, as follows:

1. The Office Administrator of the Rahway Valley Sewerage Authority is hereby authorized and directed to place a notice on the official website of the Authority requesting qualifications for the necessary services.
2. Said notice shall provide:
  - a. that the Rahway Valley Sewerage Authority is soliciting requests for qualifications for the position (specific name of position); and
  - b. the period of time / duration of contract for the referenced position; and
  - c. provide a date noting that all qualifications must be submitted to the Authority’s Office Administrator at the Authority’s office on or before said date and time, at which time they will be opened and read aloud; and
  - d. that the qualifications are being solicited through a fair and open process in accordance with N.J.S.A. 19:44A-20.5, et seq.; and
  - e. that in accordance with Chapter 271 of P.L. 2005, and in addition to any other documentation submitted in response to the Authority’s request for qualifications, each responder shall submit a list of all applicable, reportable political contributions made by the responder during the previous twelve (12) months immediately preceding the date of the submission; and
  - f. that qualifications shall be evaluated by the Authority based on that, which is most advantageous to the Authority, taking into consideration the following factors:
    - i. Experience and reputation in the field.
    - ii. Knowledge of the subject matter.
    - iii. Availability to attend all required meetings.

- iv. Availability of personnel, facilities, equipment and other resources to provide such services.
- v. Qualifications and experience of personnel.
- vi. Any other factors demonstrated to be in the best interests of the Rahway Valley Sewerage Authority.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately and/or as required by law.

The following Resolution #06-07 as offered by Mr. Luban, on motion of Mr. Luban, and seconded by Mr. Lombardo and unanimously approved.

FOR ADOPTING A CHANGE TO AN EXISTING DEFERRED COMPENSATION PLAN AND SERVICE AGREEMENT PURSUANT TO THE JOB CREATION AND WORKER ASSISTANCE ACT OF 2002, INTERNAL REVENUE CODE SECTION 457 REGULATIONS (INCLUDING CERTAIN PROPOSED REVISIONS), INTERNAL REVENUE SERVICE REVENUE PROCEDURE 2004-56, AND INTERNAL REVENUE SERVICE REVENUE PROCEDURE 2—4-12

WHEREAS, the Rahway Valley Sewerage Authority (hereinafter referred to as the “Employer”) by resolution adopted a Deferred Compensation Plan (hereinafter referred to as the “Plan”) effective June 18, 1987, for the purpose of making available to eligible employees the accrual of tax benefits under a Section 457 Deferred Compensation Plan; and

WHEREAS, the Employer by resolution retained the Variable Annuity Life Insurance Company (VALIC) as the contractor under the Deferred Compensation Plan and executed a Service Agreement with said contractor; and

WHEREAS, the Job Creation and Worker Assistance Act of 2002 amended Section 457 of the Internal Revenue Code (the Code); and

WHEREAS, the Internal Revenue Service (IRS) issued final Code Section 457 regulations on July 11, 2003 and proposed Code Section 415 regulations issued May 31, 2005 that modified the Code Section 457 regulations; and

WHEREAS, the IRS has issued model amendments (Revenue Procedure 2004-56) and guidance regarding rollover contributions to eligible retirement plans (Revenue Procedure 2004-12) that apply to Section 457 Plans; and

WHEREAS, the IRS has set a deadline of December 31, 2005 for State and Local Governmental Section 457(b) plan sponsors to adopt or amend their plans to conform with the Code, regulations, and interpretative guidance; and

WHEREAS the Employer desires its Plan to conform with the changes in the Code, regulations and interpretative guidance; and

WHEREAS, the Employer desires to adopt an amended and restated Plan that conforms with the changes in the Code, regulations and interpretative guidance; and

WHEREAS, such amended and restated Plan shall supersede the previously adopted Plan; and

NOW, THEREFORE, BE IT RESOLVED that the Employer does hereby adopt the amended and restated Plan prepared by VALIC and assigned Plan Document identifier 55-PD-VALIC-110305 by the Director of the Division of Local Government Services.

BE IT FURTHER RESOLVED that a certified copy of this resolution shall be forwarded to the Director of the Division of Local Government Services.

Mr. Luban made a motion, seconded by Mr. Lombardo, approving the mileage reimbursement be amended from \$0.485 to \$0.445 effective January 1, 2006, as per the IRS tax guidelines, as recommended by the Executive Director. The motion was unanimously approved with the exception of Mrs. Papen who voted against.

The Chairman noted that Mr. Gencarelli had prepared a memorandum which was distributed to the Commissioners this evening. He added that the memo outlined the fact that Contract #0616, previously awarded to Peregrine Associates needs to be rescinded because Peregrine has been unable to obtain the necessary insurances required by the Authority. He continued on to say that Mr. Gencarelli had received three proposals at the time of the original award, and is now recommending award to the second lowest firm who is able to meet all of the contract requirements.

After further discussion Mr. Mazzarella made a motion to rescind Resolution #05-77 which was to award Contract 0616 to Peregrine Associates due to the fact that they were unable to provide the necessary insurance required by the Authority and therefore, not able to execute the contract. The motion was seconded by Mr. Luban and unanimously approved.

The following Resolution #06-08, was offered by Mr. Mazzarella, on motion of Mr. Mazzarella, and seconded by Mr. Lombardo.

WHEREAS, the Rahway Valley Sewerage Authority (Authority) received a proposal from Avogadro Environmental Corporation, 1350 Sullivan Trail, Suite A, Easton, PA 18040, for Professional Services; and

WHEREAS, the Authority has a need to engage a consultant to provide stack testing

Services related to the Cooper Engines, Contract #0616; and

WHEREAS, Professional Services of this nature have been determined to be exempt from public bidding under Title 40A; and

WHEREAS, said services require knowledge of an advanced type in a field of learning acquired by a prolonged training period; and

WHEREAS, the Authority has received a proposal from Avogadro Environmental Corp. dated September 30, 2005, reflecting a cost not to exceed \$14,025.00 for stack testing associated with the Cooper Engines; and

WHEREAS, the Secretary-Treasurer of the Authority hereby certifies that the necessary funds for said contract have been budgeted for in the 2006 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that the Rahway Valley Sewerage Authority engage Avogadro Environmental Corp. to perform the services described herein at a cost not to exceed \$14,025.00 for a period of through December 31, 2006; and

BE IT FURTHER RESOLVED that a Professional Service Contract for the services described herein be entered into and approved by the Authority; and

BE IT FURTHER RESOLVED that said Contract must be executed by both parties within 90 days of award, in the event that the designated Professional Party to this contract fails or refuses to sign said contract and all terms and conditions included therein, this Resolution shall be void and services shall be forthwith terminated; and

BE IT FURTHER RESOLVED that a "Notice of Award" be published in Accordance with law.

Mr. Mazzarella noted that the credentials of this firm have been reviewed by Mr. Gencarelli and they are able to provide all necessary documentation, thereby making their proposal the lowest responsible one. As there was no further discussion, the motion was unanimously approved.

### **Bills and Claims**

Mr. Lombardo made a motion, seconded by Mrs. Berger, that the following bills and claims previously audited by the Finance Committee be ordered paid.

Mrs. Papen stated that she had a couple of questions regarding Counsel's bill. She stated that she noticed there were four separate charges on the one of the bills, for reviewing email from Mr. Landale, Ms. Grimes, Mr. Luban and Mrs. Papen – she added that they were all on the same date and charged the same amount. Mr. Hak stated that the charge should have appeared once and the comment should have read all four names. He added that it was an error made by their billing department.

Mrs. Papen stated that during the month of August, there were charges for telephone calls with Mr. Mazarella in the amount of \$500.00 and stated she feels this is excessive with a Commissioner. Mr. Mazarella stated that he would get back to the Board with regard to the matters that were discussed.

Mrs. Papen stated that items should be discussed in Committee and at the Board meetings, not on a one to one with Counsel.

Mr. Landale added that he feels the same as Mrs. Papen and that money is being spent too freely. Mr. Ventura concurred and added that everyone on the Board should recognize their fiscal responsibility to their municipality.

After further discussion, the motion to approve the Bills & Claims was unanimously approved.

#### BUILDING & EQUIPMENT FUND

| CHECK | DATE     | VENDOR NAME                    | LINE/ACCT # | AMOUNT       |
|-------|----------|--------------------------------|-------------|--------------|
| 2104  | 01/19/06 | ARGENT ASSOCIATES LLC          | 140.2/7/8   | 5,422.50     |
| 2105  | 01/19/06 | CONSOLIDATED CONSTRUCTION MGT. | 140.2/7/8   | 284,823.34   |
| 2106  | 01/19/06 | EE CRUZ COMPANY INC.           | 140.7       | 4,439,110.67 |
| 2107  | 01/19/06 | J.H. REID, GENERAL CONTRACTOR  | 140.2       | 649,418.84   |
| 2108  | 01/19/06 | NORTHEAST REMSCO CONSTRUCTION  | 140.8       | 1,369,032.51 |
| 2109  | 01/19/06 | PAULUS, SOKOLOWSKI & SARTOR    | 140.3/7     | 19,141.77    |

Total Checks: 6

Total Void Checks: 0

Total Amount Void: \$0.00

Total Amount Paid: \$6,766,949.63

#### OPERATING FUND

| CHECK | DATE     | VENDOR NAME                      | LINE/ACCT # | AMOUNT    |
|-------|----------|----------------------------------|-------------|-----------|
| 31255 | 12/16/05 | A TOUCH OF ITALY                 | 49          | 190.00    |
| 31256 | 12/16/05 | RICHARD P. TOKARSKI              | 31          | 150.00    |
| 31257 | 12/16/05 | MARCIN ZIOBRON                   | 31          | 149.98    |
| 31258 | 12/20/05 | SUPERMARKETS GENERAL CORPORATION | 18          | 1,738.50  |
| 31259 | 12/22/05 | ALL AMERICAN SEWER SERVICE, INC. | 47          | 2,120.00  |
| 31260 | 12/22/05 | AT&T                             | 11          | 428.67    |
| 31261 | 12/22/05 | ARCANGEL BOSQUE                  | 31          | 149.39    |
| 31262 | 12/22/05 | CAMP, DRESSER & MCKEE, INC.      | 06          | 1,696.44  |
| 31263 | 12/22/05 | CANON FINANCIAL SERVICES, INC.   | 16          | 953.20    |
| 31264 | 12/22/05 | CITY OF RAHWAY                   | 33          | 6,036.71  |
| 31265 | 12/22/05 | COGENT COMMUNICATIONS, INC.      | 27          | 849.00    |
| 31266 | 12/22/05 | C. CLARK LANDALE                 | 49          | 70.19     |
| 31267 | 12/22/05 | MULTI-CARE HEALTH CENTER         | 50          | 450.00    |
| 31268 | 12/22/05 | MURRAY, MONTGOMERY & O'DONNELL   | 09          | 10,123.00 |
| 31269 | 12/22/05 | NW FINANCIAL GROUP               | 09          | 260.00    |
| 31270 | 12/22/05 | PITNEY BOWES                     | 16          | 324.00    |
| 31271 | 12/22/05 | PSE&G                            | 42          | 97.45     |
| 31272 | 12/22/05 | QC LABORATORIES                  | 41          | 906.00    |
| 31273 | 12/22/05 | RELIANT ENERGY SOLUTIONS         | 19          | 91,567.85 |
| 31274 | 12/22/05 | SEVERN TRENT PIPELINE SERVICES   | 30          | 14,568.00 |
| 31275 | 12/22/05 | SPECTRASERV INC                  | 25/26       | 89,785.91 |
| 31276 | 12/22/05 | STAPLES BUSINESS ADVANTAGE       | 13          | 292.70    |



|       |          |                                      |       |            |
|-------|----------|--------------------------------------|-------|------------|
| 31277 | 12/22/05 | VERIZON                              | 11/30 | 937.85     |
| 31278 | 12/22/05 | VERIZON WIRELESS                     | 11    | 480.21     |
| 31279 | 12/22/05 | WEINER LESNIAK                       | 07/08 | 41,123.97  |
| 31280 | 12/22/05 | WOODRUFF ENERGY                      | 22    | 35,549.79  |
| 31281 | 12/29/05 | ADP, INC.                            | 03    | 160.50     |
| 31282 | 12/29/05 | ADP, INC.                            | 16    | 552.00     |
| 31283 | 12/29/05 | ADVANCED SPECIALTY SALES, INC.       | 32    | 32.76      |
| 31284 | 12/29/05 | AIRGAS SAFETY, INC.                  | 31    | 833.10     |
| 31285 | 12/29/05 | ALL AMERICAN SEWER SERVICE, INC.     | 21    | 860.00     |
| 31286 | 12/29/05 | APPLIED ANALYTICS, INC.              | 32    | 496.90     |
| 31287 | 12/29/05 | ASSOCIATED AUTO PARTS                | 35    | 169.60     |
| 31288 | 12/29/05 | BOB'S UNIFORM SERVICE, INC.          | 32    | 178.00     |
| 31289 | 12/29/05 | BOWCO LABORATORIES, INC.             | 32    | 125.00     |
| 31290 | 12/29/05 | CDW GOVERNMENT, INC.                 | 27    | 821.45     |
| 31291 | 12/29/05 | CHARLES F. CONNOLLY DIST. CO.        | 32    | 1,367.00   |
| 31292 | 12/29/05 | COMPUSA                              | 27    | 245.37     |
| 31293 | 12/29/05 | COOPER ELECTRIC SUPPLY COMPANY       | 38    | 1,111.44   |
| 31294 | 12/29/05 | DELL MARKETING L.P.                  | 27    | 742.01     |
| 31295 | 12/29/05 | ECHO LAKE COUNTRY CLUB               | 49    | 1,240.92   |
| 31296 | 12/29/05 | ELIZABETHTOWN GAS                    | 22    | 1,325.54   |
| 31297 | 12/29/05 | ENVIRONMENTAL COMPLIANCE             | 08    | 2,819.00   |
| 31298 | 12/29/05 | FEDEX                                | 48    | 75.70      |
| 31299 | 12/29/05 | FISHER SCIENTIFIC                    | 40    | 1,362.48   |
| 31300 | 12/29/05 | FLEXLINE                             | 32    | 151.65     |
| 31301 | 12/29/05 | GENSERVE INC.                        | 34    | 4,185.00   |
| 31302 | 12/29/05 | W.W. GRAINGER, INC.                  | 31/32 | 725.24     |
| 31303 | 12/29/05 | GRANT SUPPLY COMPANY INC.            | 32    | 995.71     |
| 31304 | 12/29/05 | HACH COMPANY                         | 40/43 | 1,904.40   |
| 31305 | 12/29/05 | HALL & ASSOCIATES                    | 08    | 4,046.88   |
| 31306 | 12/29/05 | THE HARTFORD STEAM BOILER INSPECTION | 32    | 150.00     |
| 31307 | 12/29/05 | HAYES PUMP INC.                      | 32    | 1,099.43   |
| 31308 | 12/29/05 | HOME NEWS TRIBUNE                    | 12    | 42.60      |
| 31309 | 12/29/05 | IDEXX DISTRIBUTION INC.              | 40    | 91.32      |
| 31310 | 12/29/05 | JCI JONES CHEMICALS, INC.            | 29    | 5,302.26   |
| 31311 | 12/29/05 | JEAN MANIGOLD                        | 31    | 150.00     |
| 31312 | 12/29/05 | MAX L. BROWN HARDWARE CO., INC.      | 32    | 552.09     |
| 31313 | 12/29/05 | MCMASTER-CARR SUPPLY CO.             | 32    | 589.27     |
| 31314 | 12/29/05 | MOTION INDUSTRIES, INC.              | 32    | 125.21     |
| 31315 | 12/29/05 | NATIONAL FUEL OIL, INC.              | 20    | 9,275.06   |
| 31316 | 12/29/05 | P-M INDUSTRIAL SUPPLY, INC.          | 32    | 1,054.85   |
| 31317 | 12/29/05 | PARKER GARDENS                       | 32    | 134.00     |
| 31318 | 12/29/05 | PAULUS, SOKOLOWSKI & SARTOR          | 05/06 | 3,812.50   |
| 31319 | 12/29/05 | PITNEY BOWES PURCHASE POWER          | 48    | 7.00       |
| 31320 | 12/29/05 | PITNEY BOWES SUPPLIES                | 13    | 112.18     |
| 31321 | 12/29/05 | POLAND SPRING WATER COMPANY          | 46    | 174.38     |
| 31322 | 2/29/05  | ROBERT POLTZ                         | 15    | 222.30     |
| 31323 | 12/29/05 | POLYDYNE INC.                        | 23    | 7,332.20   |
| 31324 | 12/29/05 | PUBLIC SERVICE GAS & ELECTRIC        | 19    | 80.00      |
| 31325 | 12/29/05 | PUMPING SERVICES, INC.               | 38    | 3,315.25   |
| 31326 | 12/29/05 | QC LABORATORIES                      | 41    | 520.00     |
| 31327 | 12/29/05 | RAHWAY VALLEY SEWERAGE AUTHORITY     | 01/02 | 265,776.47 |
| 31328 | 12/29/05 | RICHARD LUCAS CHEVROLET              | 35    | 211.32     |
| 31329 | 12/29/05 | THE RADIO EXCHANGE                   | 32    | 45.00      |
| 31330 | 12/29/05 | UNITED STATES PLASTIC CORP.          | 40    | 139.28     |
| 31331 | 12/29/05 | US FILTER/ENVIREX PRODUCTS           | 32    | 116.00     |
| 31332 | 12/29/05 | UNITED STATES FILTER/IONPURE, INC.   | 40    | 630.26     |
| 31333 | 12/29/05 | VERIZON                              | 11/30 | 196.29     |

|       |          |                                   |       |           |
|-------|----------|-----------------------------------|-------|-----------|
| 31334 | 12/29/05 | 921-WELCO-CGI GAS TECH LLC        | 32/40 | 230.40    |
| 31335 | 12/31/05 | ADP, INC.                         | 16    | 511.91    |
| 31336 | 12/31/05 | AMERICAN INDUSTRIAL SUPPLY CORP.  | 38    | 217.54    |
| 31337 | 12/31/05 | AQUA PRO-TECH LABORATORIES        | 40    | 150.00    |
| 31338 | 12/31/05 | ASSOCIATED AUTO PARTS             | 35    | 39.88     |
| 31339 | 12/31/05 | BOWCO LABORATORIES, INC.          | 47    | 63.00     |
| 31340 | 12/31/05 | CANON BUSINESS SOLUTIONS-EAST     | 13    | 246.06    |
| 31341 | 12/31/05 | CERTIFIED HEALTH & SAFETY SERVICE | 31    | 90.00     |
| 31342 | 12/31/05 | CHROMATE INDUSTRIAL CORP.         | 32    | 1,544.63  |
| 31343 | 12/31/05 | COMPUSA                           | 27    | 181.53    |
| 31344 | 12/31/05 | DYNAFLOW ENGINEERING              | 38    | 2,069.26  |
| 31345 | 12/31/05 | ELIZABETHTOWN GAS                 | 22    | 823.88    |
| 31346 | 12/31/05 | EMSL ANALYTICAL INC.              | 40    | 75.00     |
| 31347 | 12/31/05 | EMTEC, INC.                       | 27    | 684.56    |
| 31348 | 12/31/05 | ENVIRONMENTAL COMPLIANCE          | 08    | 6,754.50  |
| 31349 | 12/31/05 | FISHER SCIENTIFIC                 | 40    | 487.80    |
| 31350 | 12/31/05 | GRANT SUPPLY COMPANY INC.         | 32    | 105.82    |
| 31351 | 12/31/05 | HATCH MOTT MACDONALD              | 09    | 11,549.37 |
| 31352 | 12/31/05 | INTERNATIONAL SALT COMPANY        | 32    | 1,395.01  |
| 31353 | 12/31/05 | JACOBSON DISTRIBUTING COMPANY     | 32    | 398.00    |
| 31354 | 12/31/05 | JCI JONES CHEMICALS, INC.         | 29    | 2,592.00  |
| 31355 | 12/31/05 | LAB SAFETY SUPPLY, INC.           | 31    | 1,063.67  |
| 31356 | 12/31/05 | LUBRICATION ENGINEERS, INC.       | 32    | 270.72    |
| 31357 | 12/31/05 | MARK'S AUTO SERVICE/SALES         | 32    | 582.62    |
| 31358 | 12/31/05 | MCINTYRE'S LOCK & LAWNMOWER SHOP  | 32    | 17.70     |
| 31359 | 12/31/05 | MOTION INDUSTRIES, INC.           | 32    | 1,678.32  |
| 31360 | 12/31/05 | O'JOHNNIES, INC.                  | 13    | 1,626.00  |
| 31361 | 12/31/05 | POLYDYNE INC.                     | 23    | 7,344.40  |
| 31362 | 12/31/05 | PRECISION ELECTRIC MOTOR WORKS    | 38    | 356.00    |
| 31363 | 12/31/05 | PSE&G                             | 19/42 | 19,554.30 |
| 31364 | 12/31/05 | QC LABORATORIES                   | 41    | 687.00    |
| 31365 | 12/31/05 | SANDY'S FRUIT BASKETS & FLORIST   | 18    | 83.00     |
| 31366 | 12/31/05 | SPECTRASERV INC.                  | 26    | 83,653.85 |
| 31367 | 12/31/05 | STAPLES BUSINESS ADVANTAGE        | 13    | 161.04    |
| 31368 | 12/31/05 | STAR LEDGER                       | 12    | 189.00    |
| 31369 | 12/31/05 | UNITED PARCEL SERVICE             | 48    | 64.00     |
| 31370 | 12/31/05 | C.J. VANDERBECK & SON, INC.       | 32    | 2,935.00  |
| 31371 | 12/31/05 | VERIZON                           | 30    | 23.67     |
| 31372 | 12/31/05 | WATER RESOURCE SALES & SERVICE    | 38    | 240.00    |
| 31373 | 12/31/05 | WOODRUFF ENERGY                   | 22    | 6,551.12  |
| 31374 |          | VOID                              |       | 0.00      |
| 31375 |          | VOID                              |       | 0.00      |
| 31376 |          | VOID                              |       | 0.00      |
| 31377 |          | VOID                              |       | 0.00      |
| 31378 |          | VOID                              |       | 0.00      |
| 31379 |          | VOID                              |       | 0.00      |
| 31380 |          | VOID                              |       | 0.00      |
| 31381 | 01/12/06 | DELTA DENTAL PLAN OF NJ           | 03    | 5,687.00  |
| 31382 | 01/12/06 | HOME DEPOT CREDIT SERVICES        | 32    | 652.58    |
| 31383 | 01/12/06 | STANDARD INSURANCE COMPANY        | 03    | 2,415.29  |
| 31384 | 01/12/06 | RICHARD P. TOKARSKI               | 15    | 1,253.73  |
| 31385 | 01/12/06 | VISION SERVICE PLAN               | 03    | 1,193.01  |
| 31386 | 01/19/06 | A&M INDUSTRIAL SUPPLY COMPANY     | 32    | 690.81    |
| 31387 | 01/19/06 | A TOUCH OF ITALY                  | 49    | 235.50    |
| 31388 | 01/19/06 | ADVANCED SPECIALTY SALES, INC.    | 32    | 2,024.33  |
| 31389 | 01/19/06 | AIRGAS SAFETY, INC.               | 31    | 876.34    |
| 31390 | 01/19/06 | ARCH WIRELESS                     | 11    | 11.19     |

|       |          |                                       |       |            |
|-------|----------|---------------------------------------|-------|------------|
| 31391 | 01/19/06 | ASSOCIATION OF ENVIRONMENTAL AUTH.    | 52    | 3,900.00   |
| 31392 | 01/19/06 | ATLANTIC DETROIT DIESEL ALLISON       | 32    | 624.25     |
| 31393 | 01/19/06 | BOB'S UNIFORM SERVICE, INC.           | 32    | 175.25     |
| 31394 | 01/19/06 | CHARLES F. CONNOLLY DIST. CO.         | 32    | 975.00     |
| 31395 | 01/19/06 | CHROMATE INDUSTRIAL CORP.             | 32    | 1,517.89   |
| 31396 | 01/19/06 | CITY OF RAHWAY UNITED WATER RESOURCES | 33    | 6,630.31   |
| 31397 | 01/19/06 | CLEAN RENTAL SERVICES, INC.           | 32    | 711.85     |
| 31398 | 01/19/06 | COASTAL SAFETY ENVIRONMENTAL          | 31    | 1,206.55   |
| 31399 | 01/19/06 | COMMERCE BANK                         | 09    | 4,140.00   |
| 31400 | 01/19/06 | COMMERCE BANK, N.A.                   | 09    | 19,882.50  |
| 31401 | 01/19/06 | COMPLETE ELECTRICAL                   | 32    | 575.00     |
| 31402 | 01/19/06 | COSPER ENVIRONMENTAL SERVICES         | 41    | 1,100.00   |
| 31403 | 01/19/06 | D2L ASSOCIATES, INC.                  | 42    | 3,060.00   |
| 31404 | 01/19/06 | FEDEX                                 | 48    | 41.58      |
| 31405 | 01/19/06 | W.W. GRAINGER, INC.                   | 32    | 1,535.66   |
| 31406 | 01/19/06 | GRANT SUPPLY COMPANY INC.             | 32    | 629.99     |
| 31407 | 01/19/06 | GREENWOOD PRODUCTS, INC.              | 40    | 230.00     |
| 31408 | 01/19/06 | JOHN V. HRUSKA                        | 31    | 139.99     |
| 31409 | 01/19/06 | HYDRA-NUMATIC SALES COMPANY           | 32    | 180.54     |
| 31410 | 01/19/06 | JCI JONES CHEMICALS, INC              | 29    | 2,593.08   |
| 31411 | 01/19/06 | JERSEY ELEVATOR COMPANY INC.          | 32    | 74.50      |
| 31412 | 01/19/06 | LUDECA INC.                           | 32    | 11,055.06  |
| 31413 | 01/19/06 | SCOTT W. MACKIN                       | 31    | 150.00     |
| 31414 | 01/19/06 | MAINSTREAM MECHANICAL SALES           | 32    | 1,602.00   |
| 31415 | 01/19/06 | MULTI-CARE HEALTH CENTER              | 50    | 100.00     |
| 31416 | 01/19/06 | MURRAY, MONTGOMERY & O'DONNELL        | 09    | 10,000.00  |
| 31417 | 01/19/06 | NJ MANUFACTURERS INSURANCE CO.        | 17    | 12,901.00  |
| 31418 | 01/19/06 | TREASURER - STATE OF NJ               | 37    | 3,620.00   |
| 31419 | 01/19/06 | ONE CALL SYSTEMS, INC.                | 32    | 46.08      |
| 31420 | 01/19/06 | DAVID PATRICK                         | 15    | 50.85      |
| 31421 | 01/19/06 | POLYDYNE INC.                         | 23    | 9,991.80   |
| 31422 | 01/19/06 | PSE&G                                 | 19    | 325.59     |
| 31423 | 01/19/06 | QC LABORATORIES                       | 41    | 876.00     |
| 31424 | 01/19/06 | RAHWAY VALLEY SEWERAGE AUTHORITY      | 01/02 | 236,030.36 |
| 31425 | 01/19/06 | FRANCISCO RIVERA, JR.                 | 31    | 94.99      |
| 31426 | 01/19/06 | PETTY CASH                            | 14    | 169.08     |
| 31427 | 01/19/06 | SAFETY-KLEEN CORP.                    | 32    | 213.71     |
| 31428 | 01/19/06 | SHERWIN-WILLIAMS/CON-LUX              | 32    | 1,143.75   |
| 31429 | 01/19/06 | SIMPLEX GRINNELL LP                   | 32    | 614.25     |
| 31430 | 01/19/06 | STAR LEDGER                           | 12    | 31.50      |
| 31431 | 01/19/06 | TELEDYNE ISCO                         | 43    | 1,245.50   |
| 31432 | 01/19/06 | THE BANK OF NEW YORK                  | 09    | 2,500.00   |
| 31433 | 01/19/06 | THE SPI GROUP, LLC                    | 27    | 200.00     |
| 31434 | 01/19/06 | UNITED PARCEL SERVICE                 | 48    | 82.89      |
| 31435 | 01/19/06 | VERIZON                               | 11/30 | 816.59     |
| 31436 | 01/19/06 | VERIZON WIRELESS                      | 11    | 47.60      |
| 31437 | 01/19/06 | WACHOVIA BANK                         | 09    | 34,920.00  |
| 31438 | 01/19/06 | WACHOVIA BANK, NA                     | 09    | 90,900.00  |
| 31439 | 01/19/06 | WEINER LESNIAK                        | 07/08 | 38,470.18  |
| 31440 | 01/19/06 | WOODRUFF ENERGY                       | 22    | 42,048.32  |

Total Operating Fund Checks: 186  
Total Void Checks: 7  
Total Amount Void: \$0.00  
Total Amount Paid: \$1,351,285.36

Total Checks: 192

Total Void Checks: 7  
 Total Amount Void: \$0.00  
 Total Amount Paid: \$8,118,234.99

| <b>FUND DESCRIPTION</b>   | <b>FUND #</b> | <b>Fund Total</b>     |
|---------------------------|---------------|-----------------------|
| OPERATING FUND            | 5-01          | \$921,140.80          |
| BUILDING & EQUIPMENT FUND | 5-02          | \$6,766,949.63        |
| OPERATING FUND            | 6-01          | \$430,144.56          |
| <b>TOTAL ALL FUNDS</b>    |               | <b>\$8,118,234.99</b> |

**Closed Session**

Mrs. Papen made a motion to go into closed session at this time, 8:45 p.m. to discuss matters related to Contract #155 based on Attorney/Client privilege. The motion was seconded by Mrs. Berger and unanimously approved.

Mr. Luban made a motion to return to the regular order of business at this time, 8:55 p.m. The motion was seconded by Mr. Lombardo and unanimously approved.

**Regular Order of Business**

Mr. Ludington stated that he had a few items to discuss. He noted that he had received a telephone call from the Rahway River Association who were inquiring as to the wetland permits obtained by the Authority and offset credits. Mr. Wancho stated that no permits were needed, all applications to the NJDEP were averaging based on the plant site, therefore no credits are available.

Mr. Ludington also noted for the record that Rahway’s flows are going up and Clark and Cranford’s are going down. He stated that these wild swings are an indication that there is a problem with the metering system and they can not continue.

Mr. Mazzarella stated that he agreed with Mr. Ludington and noted that is why the Township of Clark recently requested other information from the Authority so they could do their own analysis.

Mr. Ludington noted that we don’t follow what is outlined in the Agreement. Mr. Ventura stated Mr. Ludington is correct, however, he added that is the problem. Mr. Ventura added that we should use what is in the agreement and should be forcing the municipalities to do remedial work, until there is no more I/I. He stated that in his opinion, if we did remove all the I/I from the system, we would not have had to upgrade the plant nor be in the financial situation we are in.

Mr. McHale stated that when we started the JCO, the Board decided to leave the towns alone with regard to the I/I, since they were going to be getting hit with much higher assessments due to the plant upgrade.

**Adjournment**

As there was no further business, on motion of Mr. Lombardo, seconded by Mrs. Papen, the meeting adjourned at 9:07 p.m. The motion was unanimously approved.

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Allen Chin, Chairman

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Robert J. Materna, Secretary-Treasurer

/jg

**Attachments**

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