

RAHWAY VALLEY SEWERAGE AUTHORITY

Summary of Minutes

Regular Meeting held December 20, 2007

- Minutes
Approved Minutes of Regular Meeting held October 18, 2007
Approved Minutes of Regular Meeting held November 19, 2007.
- Communications
Communications were received from ISCO Industries, LLC, Connell Foley, LLP, Coastal Technical Sales, Inc., E.E. Cruz & Company, Inc., Suplee Clooney & Co., Olga Rivera, Brian Garland, the NJDEP Point Source Permitting Region 2, the Borough of Kenilworth and the Township of Clark.
- Treasurers Reports
Treasurer's reports for the month of October 2007 were received.
- Interim Executive Director
Sewer Connections and the status of various contracts.
- Consulting Engineer
Overview of contracts; flow rights and user charge reports.
- Counsel
Overview of legal matters.
- Committees
Reports were given by the Engineering, Finance, and Personnel Committees.
- Unfinished Business
None.
- New Business
Approved the following: 2008 Budget; Investment Authority; 2008 Depositories; Appointment of the 2008 Public Agency Compliance Officer; and TWA's for Scotch Plains, Rahway and Woodbridge.
- New Business (Cont'd.)
Approved the following expenditures: Amend PSA #144 to Paulus, Sokolowski & Sartor in an amount of \$37,020.00; Amend PSA #0727 to Omni Env. in an amount of \$4,000.00; Awarded Contract #0817 to All American Sewer Service in an amount of \$294,600.00; Awarded Contract #0820 to Spectraserv, Inc. in an amount of \$188,000.00; and Awarded Contract #0822 to JCI Jones Chemicals in an amount of \$435,000.00.

- Bills and Claims		
<u>Fund Description</u>	<u>Fund#</u>	<u>Amount</u>
OPERATING FUND	7-01	\$969,828.13
BUILDING & EQUIP FUND	7-02	3,105,357.96
CONSTRUCTION FUND	7-04	<u>183,960.12</u>
TOTAL ALL FUNDS:		\$4,259,146.21

RAHWAY VALLEY SEWERAGE AUTHORITY
Regular Meeting Minutes – December 20, 2007

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 6, 2007.

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 and observe a moment of silence.

Videotaping of Meetings

The Chairman stated that he would like to address the issue of videotaping the proceedings of this evening’s meeting and read the following statement:

“The Commissioner from the City of Rahway has requested that he be allowed to videotape this session. I have consulted with counsel and counsel has advised that there is a public right to videotape the proceedings of any public body.

Counsel has advised me that the Supreme Court of New Jersey has ruled on this issue in the case of Tarus v. the Borough of Pine Hill, which was decided by the court this year.

The public, as well as any Commissioner of this Authority, has the right to videotape our proceedings, as long as, such taping does not interfere with the conduct of our business or the access rights of others to our meetings.

In closing, I would like to suggest to the Commissioners that we adopt guidelines for future videotaping requests.

For this evening, I have requested that the person who is videotaping the meeting set up in the corner in order to see the Commissioners, Public Speakers and the Screen. Thank you.”

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
Frank G. Mazzarella	for the Township of Clark
James J. Murphy	for the Township of Cranford
Joan Papen	for the Township of Scotch Plains
Peter H. Pelissier	for the City of Rahway
Attilio S. Venturo	for the Borough of Roselle Park

The following member was absent:

Gregg F. David	for the Borough of Kenilworth
----------------	-------------------------------

The following were also present:

Michael J. Brinker, Jr., PE	Interim Executive Director
Robert J. Materna	Secretary-Treasurer
Joanne Grimes	Office Administrator/Board Secretary
James Wancho, P.E.	Paulus, Sokolowski & Sartor
Brian Hak, Esq.	Weiner Lesniak, LLP

The following members of the public were present:

James Cassella	RVSA Asst. to the Exec. Director
Robert Valent	RVSA Superintendent
Bob Poltz	RVSA MIS Manager
Dan Ward	RVSA Manager, Plant Maintenance
Gary Marano	RVSA Maintenance Supervisor
Robert Safchinsky	RVSA Maintenance Coordinator
Anthony Gencarelli	RVSA Manager of Regulatory Compliance
Jean Manigold	RVSA Laboratory Supervisor
Thomas Macaluso	RVSA Asst. Laboratory Supervisor
Jim Thor	RVSA Utility Worker
Thomas Watters	RVSA Utility Worker
Wayne Baker	Westfield Leader Newspaper
Frank Ruggiero	City of Rahway
Michelle Dalesandris	City of Rahway
Patrick J. Cassio	Rahway
Lawrence C. Bodine	Rahway
Bryan DesRoches	Rahway
Sal Miona	Rahway

Approval of Minutes

Mr. Luban made a motion, seconded by Mrs. Berger, to approve the minutes of the Regular Meeting held October 18, 2007. The motion was unanimously approved by those present. Mr. David was absent.

Mr. Chin made a motion, seconded by Mrs. Papen, to approve the minutes of the Regular Meeting held November 19, 2007. The motion was approved with the exception of Mr. Luban

who abstained. Mr. David was absent.

Communications

Copies of the communications were distributed to the Commissioners.

- A Notice of Non-Payment on Public Project and Bond Claim was received November 8, 2007, from ISCO Industries, LLC against Marvec Construction Corporation, RVSA Contract #144.
- A response letter to the aforementioned lien claim was received December 14, 2007, from Connell Foley, LLP attorney for Marvec Construction Corp. contesting the claim on Contract #144 from ISCO Industries, LLC, as unfounded and untrue.
- A Construction Lien Claim was received on November 14, 2007 from Coastal Technical Sales, Inc. against E.E. Cruz & Company, Inc., RVSA Contract #155.
- A response letter to the aforementioned lien claim was received December 11, 2007 from E.E. Cruz & Company, Inc. contesting the claim on Contract #155 from Coastal Technical Sales, Inc., as unfounded and untrue.
- A letter was received from Suplee, Clooney & Company on December 3, 2007, thanking the Commissioners for their confidence in the firm and extending warm wishes for the Holiday Season and New Year.
- A letter addressed to Chairman Attilio Venturo, was received from Olga Rivera of Rahway on November 2, 2007 regarding the October 18, 2007 meeting.
- A letter addressed to the Commissioners, was received October 30, 2007, from Brian Garland of Rahway regarding the October 18, 2007 meeting.
- A letter addressed to Anthony Gencarelli was received November 19, 2007, from Pilar Patterson, Bureau Chief – NJDEP, Point Source Permitting – Region 2, regarding the Final Surface Water Major Modification Permit Action.
- The following Resolution #10, was received from the Borough of Kenilworth on December 3, 2007:

WHEREAS, the Borough of Kenilworth is one of the 11 member municipalities of the Rahway Valley Sewerage Authority (RVSA) a regional sewerage authority created and operating pursuant to the New Jersey Sewerage Authorities Law, N.J.S.A. 40:14A-1 et. seq.; and

WHEREAS, RVSA operates sewage treatment facilities constructed, maintained and operated with funds received from the taxpayers of the member municipalities, which facilities have cost hundreds of millions of dollars to construct and which are undergoing

extensive capital projects intended to upgrade and make more efficient the operation of those facilities, the costs of which capital projects exceed \$175 million; and

WHEREAS, RVSA's annual operating costs are in excess of \$18 million, which costs are paid primarily by the member municipalities; and

WHEREAS, RVSA is responsible for the handling and treatment of the sanitary sewage for its 11 member municipalities in a cost-efficient and environmentally sound manner; and

WHEREAS, as a member municipality whose taxpayers have paid and continue to pay significant amounts of money to the construction and operation of RVSA, the Kenilworth is concerned that RVSA be operated in a sound and cost-efficient manner; and

WHEREAS, over the past several years, various consultants for RVSA and some members of RVSA have suggested or recommended that RVSA consider entering into a privatization contract for part or all of its operations; and

WHEREAS, the Kenilworth and other members have expressed concerns regarding whether such privatization would actually result in better or more cost effective operation of RVSA; and

WHEREAS, despite such concerns raised by the Kenilworth and other members, RVSA determined to undertake an investigation of privatization of a portion of its operations and retained various consultants to make recommendations to RVSA as to the appropriateness of moving forward to take actions to solicit request for qualifications for a privatization contract; and

WHEREAS, in response to concerns voiced by the Kenilworth and other members, RVSA determined to conduct a Mayors Forum to present to the Mayors and other representatives of the member municipalities the reasons why RVSA had decided to move forward to take actions to solicit requests for qualifications for a privatization contract; and

WHEREAS, during this Mayors Forum, based on questions asked, concerns raised and information presented, RVSA's own consultants, including Steve Kellogg, Senior Vice President of CDM, agreed that it was premature to consider whether privatization might be a sound and cost effective measure for RVSA, and agreed that the appropriate course was to await completion of the significant capital projects being undertaken at the RVSA facility, including the Comprehensive Strategic Plan (CSP) contracts, the Major Upgrades contracts, and the Cogeneration/Sludge Drying Facility contract and a sufficient time after such completion to be able to undertake an informed evaluation of how the RVSA facility was operating; and

WHEREAS, Kenilworth and various other member municipalities welcomed these recommendations as a much sounder approach to the question of whether some form of

privatization of RVSA's operations or facilities might be sound and/or cost effective; and

WHEREAS, despite the recommendations of its own consultants in November 2006, and despite the fact that the capital projects referred to at the November 30 Mayors' Forum have not all be completed and in operation, RVSA placed on its October 18, 2007 agenda a motion to solicit proposals for the services of (1) Special Counsel, (2) Special Engineer, and (3) Special Financial Advisor, to perform certain work related to the preparation of a Request for Qualifications on a privatization contract; and

WHEREAS, to solicit such proposals and to move forward with the process contemplated thereby will be a time consuming and costly process, and should not be considered, let alone undertaken, until the capital projects referred to at the November 30 Mayors' Forum have all been completed and in operation for a sufficient time to enable an informed evaluation of how the RVSA facility was operating; and

WHEREAS as recognized by RVSA previously, no such actions should be taken by RVSA toward possible privatization without first informing the Mayors and other municipal representatives of the basis for such action, and seeking the input of these important parties; and

NOW, THEREFORE, BE IT RESOLVED that the Governing Body of the Borough of Kenilworth hereby affirmatively and emphatically states its position that it is inappropriate and premature for RVSA to solicit proposals for the services of (1) Special Counsel, (2) Special Engineer and/or (3) Special Financial Advisor to perform any work related to the preparation of a Request For Qualifications on a privatization contract or to take any other actions to move forward with the process contemplated thereby. As previously recognized by RVSA's own consultants and represented to the public at the November 30 2006 Mayors Forum, no further consideration should be given to the actions taken toward possible privatization until the capital projects referred to at the November 30 Mayors Forum have all been completed and in operation for a sufficient time to enable an informed evaluation of how the RVSA facility was operating.

- The following letter addressed to Ms. Joanne Grimes was received December 18, 2007 from Edith L. Merkel, Township Clerk for the Township of Clark:

“Enclosed herewith please find a copy of Resolution #07-152 which was adopted at a Regular Township Council Meeting held December 17, 2007.

Please read the attached Resolution into the minutes as a matter of record at your December 20, 2007 regular meeting.

If you have any questions, please feel free to call my office at anytime.”

“RESOLUTION 07-152 - WHEREAS, the Rahway Valley Sewerage Authority (“RVSA”) has advised the Governing Body of the Township of Clark and other member

bodies that it retains on hand surplus operating funds from the 2007 budget in the amount of \$2,621,000 (unaudited) along with cumulative surpluses from operating budgets from 2003 and 2006 in the amount of \$3,497,709 resulting in a total surplus from the respective operating budgets of \$6,118,709; and

WHEREAS, the Governing Body of the Township of Clark has recently been further advised of the RVSA's decision, subject to the approval of member municipalities, to distribute the aforesaid surplus to the member municipalities in accord with their respective assessments; and

WHEREAS, the surplus funds to be distributed to the Township of Clark as a consequent of the foregoing is the sum of \$829,961; and

WHEREAS, the Township desires to anticipate the receipt of these funds in its 2008 budget; and

WHEREAS, the RVSA has indicated to the Township that the said funds will be reimbursed in one payment at such time as its Counsel completes its review of the 1995 Agreement Among Member Municipalities, Debt Covenants and Regulatory Requirements and upon the adoption of a confirmatory resolution by the member municipalities; and

WHEREAS the Governing Body of the Township of Clark desires to show its support for the proposed action of the RVSA as above stated and commends the RVSA upon its decision, subject to the approval of the member municipalities, to reimburse the member municipalities with the surplus funds on the basis of their assessments as such action is in the public interest and in the interest of the member municipalities.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the Township of Clark that it does publicly commend the RVSA for its decision to make the reimbursement referenced hereinabove and it urges all member municipalities to endorse and support this proposal."

Report of Treasurer

The Treasurer's Reports for the month of October 2007 have been distributed to the Commissioners and will be included in the Minutes.

Report of Interim Executive Director

Videotaping of this meeting

Mr. Brinker stated that with regard to the videotaping of this meeting, he noted that the Authority is also taping the meeting and that a video camera was installed today.

Mr. Pelissier asked if it the Authority would allow the City of Rahway to broadcast the

Authority's copy of the meeting on TV-34 the City's local channel. The Chairman stated that it would be a board decision.

Mr. Pelissier stated that he had wished he had know the Authority had the capability of filming its meetings, and had he known, he would have previously asked to obtain a copy of the Authority's tape as opposed to having a citizen come and tape it for the City of Rahway. He added that its open government, it's the way it should be. He noted that he would like to see all of our open meetings broadcast on the local channels.

Mrs. Papen addressed the Chair. She stated that the guidelines of taping the meetings will be discussed at the Personnel Committee Meeting being held in January, including broadcasting it on the local municipal stations if the municipalities are interested.

Mr. Mazarella stated that he spoke with his Township Administrator who advised that the Township of Clark would also like a copy of the videotape and will be happy to air it each month.

Mr. Pelissier stated that he understands that the guidelines will be discussed at the January Personnel Committee meeting, however, noted that due to the importance of the subject matter being discussed this evening regarding the return of excess unexpended funds, and the budget document that will be discussed and voted on this evening, he feels that it is important for the public to have this information in a timely manner. Therefore, I make a motion that this videotape that is being recorded by the Authority be provided to those municipalities that would like to broadcast it on their local networks. Mr. Lombardo seconded the motion.

Mr. Luban asked if the Authority has the capability to duplicate the video. Mr. Brinker responded that we do.

Mr. Mazarella asked the Attorney that since this is an open public meeting, isn't it a requirement if it is taped that the Authority pass on the tapes that they produce be passed onto the municipalities, therefore, there is no need for a resolution on this matter.

Counsel concurred.

Mr. Brinker asked, if the spirit of good friendship would it be possible for the Authority to get a copy of the City of Rahway's videotape. Counsel stated that the City of Rahway's copy is also a public record and therefore should also be made available to anyone who requests it.

Mr. Venturo asked if there is an expense to this. Mr. Pelissier stated that there isn't any expense to the City of Rahway to broadcast it on their network.

Mrs. Grimes asked if the tapes will be made available under OPRA or just made available to any municipality that requests them. Counsel stated that it would definitely be made available under OPRA because it's a public record, however, for a public entity it should be made available without necessarily going through an OPRA request. Mrs. Grimes asked about the cost, would the Authority be able to charge a fee for the costs incurred. The Chairman responded that we

need organization and procedure to be established.

Mr. Luban suggested that this tape be made available through OPRA and then once guidelines are established, the Authority will have a procedure to follow.

Mr. Pelissier stated that a member municipality should not have to OPRA the tape.

After brief discussion, the Chairman called the question. The motion was unanimously approved by the Commissioners present. Mr. David was absent.

Mr. Chin asked Mr. Pelissier to provide the Authority with a copy of his videotape. Mr. Pelissier stated he did not have a problem with that but added that he thinks its ridiculous as his tape will be the same as the Authority's tape and he would not have taped the meeting had he known the Authority intended to tape the meeting.

Mrs. Papen and Mr. Luban stated that the Board did not know that the meeting was going to be taped. Mr. Pelissier stated that he was surprised by that but as a Board Member he would have liked to have known, prior to the meeting, that he was going to be taped so that the City of Rahway would not have had to incur expense.

Sewer Treatment Endorsements

The following is a list of Sewer Treatment Endorsements processed between 11/15/07 and 12/18/07, and a copy of the log sheet with additional information has been distributed for your reference:

<u>Number</u>	<u>Date</u>	<u>Applicant</u>	<u>Municipality</u>
1021-07-CL	11/26/07	SP Construction/E. Gillespie	Clark
1022-07-CL	11/26/07	Jorge Guerra	Clark
1023-07-RW	11/28/07	S&SD Contractor / Arthur Boone	Rahway
1024-07-RW	11/29/07	Colonia Investments, Inc.	Rahway
1025-07-WB	12/03/07	Clover Leaf Memorial Park	Woodbridge
1026-07-RW	12/06/07	CMX / Dornock Rahway	Rahway
1027-07-WB	12/11/07	Ednick Construction	Woodbridge
1028-07-WB	12/11/07	Ednick Construction	Woodbridge
1029-07-WB	12/17/07	Manor Homes LLC	Woodbridge

Monthly Reports

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

- PS&S Preliminary Monthly*
- PS&S Monthly
- CCMS - Contract #105 – Cogeneration Facility*
- CCMS - Contract #155 – WWTP Upgrade*
- Weiner Lesniak – Monthly Update

RVSA IPP Coordinator – IPP Activities
RVSA Superintendent – 10/2007 Operations
RVSA Payroll – 12/1/07 Overtime Totals

* These items were discussed at the Engineering Committee Meeting.

Contract #144 – Lien Claim

A lien claim was received from ISCO Industries, LLC on Contract #144. A letter was sent to the Contractor, Marvec Construction Corporation, who was advised that they needed to show cause before the Authority at this meeting.

Marvec Construction Corporation sent a letter to the Authority contesting the lien claim and has advised that they will not be addressing the Board. Copies of all correspondence regarding this matter have been distributed to the Commissioners and Counsel.

Contract #155 – Lien Claim

A lien claim was received from Coastal Technical Sales, Inc. on Contract #155. A letter was sent to the Contractor, E.E. Cruz & Company, Inc., who was advised that they needed to show cause before the Authority at this meeting. A copy of the letter has been distributed to the Commissioners.

E.E. Cruz sent a letter to the Authority contesting the lien claim and has advised that they will not be addressing the Board. Copies of all correspondence regarding this matter have been distributed to the Commissioners and Counsel.

Contract #144 A/E-Trunk Sewer Rehabilitation Engineering Services

PS&S submitted a letter dated December 10, 2007 regarding additional services required on this contract well beyond the anticipated contract completion date. PS&S is seeking an amendment to their contract for field services through January 18, 2008, in an amount of \$37,020.00, for a total amended contract amount of \$185,202.00. A copy of the letter was provided to the Commissioners for review. This matter was discussed at the Engineering Committee Meeting. The Committee recommended that the Board approve the increase and also have Counsel pursue recouping the money from the contractor. A motion is on the agenda under New Business.

Contract #0727 – Settlement Conference Support Services

Mr. Tim Bradley (formerly of Metcalf & Eddy) of Omni Environmental is providing Expert Settlement Conference Support Services to the Authority. At the last settlement conference, the Attorneys from Weiner Lesniak and Hall & Associates requested that Mr. Bradley prepare a report. As this was not anticipated at the time we entered into a contract with Omni Environmental for these services, there is a need to amend their contract. They are seeking to amend their contract for an additional \$4,000.00, total amended contract of \$7,000.00. A copy of their letter was forwarded to the Commissioners for review. This matter was discussed at the

Engineering Committee Meeting and the Committee recommended approval. A motion is on the agenda under New Business.

Contract #0817 – Equipment Rental & Sewer Line Inspection Services

Joanne Grimes, Office Administrator, sent a copy of the Notice to Bidders to companies on RVSA's Goods & Services Bidders List, posted an ad in the Star Ledger and on the Authority's website. Two companies picked up bid packages and on October 18, 2007 the following bids were received:

<u>Company</u>	<u>Amount</u>
All American Sewer Service Wallington, NJ	\$147,330.00/Option A (1 Year Contract) \$294,660.00/Option B (2 Year Contract)
National Water Main Cleaning Newark, NJ	\$153,225.00/Option A (1 Year Contract) \$306,350.00/Option B (2 Year Contract)

The current contractor for this service is All American Sewer. At the November Meeting, the Commissioners took action to reject the bids and requested the Interim Executive Director research the possibility of the Authority purchasing its own equipment to perform these services. Mr. Brinker researched the costs for this equipment and a survey of all the members was performed with regard to their use, ownership, etc. on similar equipment. A memorandum outlining Mr. Brinker's findings was sent out to the Commissioners. Subsequently, an extension was sought from both bidders for their bids and Counsel has provided their opinion on the documentation. It is recommended that the Commissioners rescind the vote taken at the November meeting and award the contract to the low bidder, All American Sewer Service.

This matter was discussed at the Engineering Committee Meeting and the Committee recommended approval. A motion is on the agenda under New Business.

Contract #0819 – Bulk Lubricating Oil – REBID #1

Joanne Grimes, Office Administrator, sent a copy of the Notice to Bidders to companies on RVSA's Goods & Services Bidders List, posted an ad in the Star Ledger and on the Authority's website. Three companies picked up bid packages and bids were to be received on December 11, 2007. Unfortunately, no bids were received and the contract will need to be rebid.

This matter was discussed at the Engineering Committee Meeting and the Committee recommended that the contract be rebid.

Contract #0820 – Grit & Screenings Disposal – Two Year Contract

Joanne Grimes, Office Administrator, sent a copy of the Notice to Bidders to companies on RVSA's Goods & Services Bidders List, posted an ad in the Star Ledger and on the Authority's website. Four companies picked up bid packages and on December 4, 2007 the following bids were received:

<u>Company</u>	<u>Amount</u>
Spectraserv, Inc. S. Kearny, NJ	\$94.00/ton \$188,000.00
Gary W. Gray Trucking Delaware, NJ	\$99.40/ton \$198,800.00
Synagro Houston, TX	No Bid
Waste Management Langhorne, PA	No Bid

The current service is provided by Gary W. Gray Trucking, at a cost of \$86.80/ton. The bids were sent to Counsel for review and comment. Counsel found the low bid to be in order. The Interim Executive Director prepared a bid report, a copy of which was forwarded to the Commissioners for review. This matter was discussed at the Engineering Committee Meeting and the Committee recommended that the contract be awarded to Spectraserv, Inc. A motion is on the agenda under New Business.

Contract #0822 – Sodium Hypochlorite

Joanne Grimes, Office Administrator, sent a copy of the Notice to Bidders to companies on RVSA's Goods & Services Bidders List, posted an ad in the Star Ledger and on the Authority's website. Three companies picked up bid packages and on October 18, 2007 the following bids were received:

<u>Company</u>	<u>Amount</u>
JCI Jones Chemicals Warwick, NY	\$0.87/gal \$435,000.00 Estimated Total
Univar USA Inc. Middletown, PA	\$0.9175/gal \$458,750.00 Estimated Total
Kuehne Chemical Co. S. Kearney, NJ	\$0.9875/gal \$493,750.00 Estimated Total

The current supplier for this product is Univar USA. The bids were sent to Counsel who advised that the low bid was in order. At the November meeting, the Commissioners did not take action on this contract and requested that the Interim Executive Director look into purchasing this product through a co-op or other mechanism. The Interim Executive Director researched the matter and provided a report to the Commissioners. Based on the findings, he is recommending that the contract be awarded to the low bidder. Since there is a 60 day "window" in which to award the bids received, an extension was requested from all three bidders and all three provided said extension.

This matter was discussed at the Engineering Committee Meeting and the Committee recommended that the contract be awarded to JCI Jones Chemicals. A motion is on the agenda under New Business.

Sewer Connection - Woodbridge

A Time Extension for a previously approved Treatment Works Application was submitted by the Township of Woodbridge for the Englehard Campus in Woodbridge. This was previously approved by the Authority at its September 15, 2005 meeting by Resolution #05-62, however, the NJDEP allowable time to initiate construction for this project has lapsed and therefore, the applicant is requesting an updated approval. No modifications have been made to the application. The Interim Executive Director has reviewed the application, finds it to be in order and recommends approval.

This matter was discussed at the Engineering Committee Meeting and the Committee recommended that the application be approved. A motion is on the agenda under New Business.

Sewer Connection – Rahway

A Treatment Works Application was submitted by the City of Rahway for Riverview Manor Townhouse Development in the City of Rahway. The application is for the construction of 231 lf of 8” sewer and 4 new manholes, to provide service for a 13 townhouse development. The new flow generated from this project will be approximately .039 mgd (or 3900 gpd). The Interim Executive Director has reviewed the application, finds it to be in order and recommends approval.

This matter was discussed at the Engineering Committee Meeting and the Committee recommended that the application be approved. A motion is on the agenda under New Business.

Sewer Connection – Scotch Plains

A Treatment Works Application was submitted by the Township of Scotch Plains on behalf of Guarriello & Dec Associates/Better Home Views/Pheasant Run Estates in the Township of Scotch Plains. The application is for the construction of 979 lf of 8” sewer with 7 standard manholes to service 7 new single family homes and one existing 2 family home. The new flow generated from this project will be approximately .027 mgd (or 2700 gpd). The Interim Executive Director has reviewed the application, finds it to be in order and recommends approval.

This matter was discussed at the Engineering Committee Meeting and the Committee recommended that the application be approved. A motion is on the agenda under New Business.

Report of Consulting Engineer

The following report to the Authority Board summarizes our activities for the period of

November 10, 2007 through December 17, 2007.

JCO Compliance

PS&S prepared the Annual Infiltration/Inflow report and submitted it to the NJDEP prior to the October 1st deadline. The report summarizes any investigative and remediation work that may have been conducted within the member municipalities during the past year. PS&S forwarded the information received from Woodbridge, Springfield, Clark, Scotch Plains, Westfield and Kenilworth. Information was received after the NJDEP submittal from Rahway. Some additional follow-up with the engineer from Garwood was conducted in the past week. A follow-up submittal to NJDEP will be prepared when the remaining municipal information is received.

Administrative Appeals Re: NJPDES/TWA Permits

PS&S continues to coordinate activities with General Counsel and Special Counsel, Hall & Associates. General Counsel set up a Settlement Conference at the Office of Administrative Law on October 26, 2007, to discuss the NJPDES and TWA permit appeals; this meeting was attended by the Interim Executive Director Mike Brinker, Rich Rudin of Weiner Lesniak, John Hall of Hall & Associates (Special Counsel), Tim Bradley of Omni Environmental and Jim Wancho of PS&S. A summary of the appeals and the general results of the conference are as follows:

RVSA has maintained that an “emergency bypass” is required if an extreme wet weather or other type of event was in a position to harm the plant or surrounding communities. This emergency bypass is allowed under the Clean Water Act, but would no longer be available to the Authority once all the overflows have been permanently sealed and all flow directed to the plant. The Authority discussed the use of the 004 overflow structure as the emergency outfall. A preliminary agreement that an “emergency outfall” could be maintained as long as it had a seal that would need to be broken when it is needed. Some information needs to be submitted to the NJDEP and discussion with the Enforcement group at NJDEP is also required to finalize an agreement.

RVSA had contested the loading limits contained in the last issued NJPDES permit; the limits are based on 40 MGD and will be problematic to meet under certain wet weather flow events. The Authority was able to reach a preliminary agreement that the weekly limits will be suspended in the event of a flow to the plant in excess of 72 MGD. Certain information needs to be prepared to support the Authority position prior to a final agreement by all parties.

A related Wastewater Management Plan issue was discussed. Refer to the WMP section in this report for further information.

Trunk Sewer Rehabilitation - Contract #144

The contractor has completed installation of approximately 1200 linear feet of slip-line pipe. After review of several repair techniques for the “bend” sections, including the requirements for

bypass pumping it was decided to utilize a spray on system called Sewpercoat. The installation was conducted during the week of December 7th and was completed in 4 days, instead of the estimated 5-6 days. The estimated cost for the work is in the \$200K range, with funding hopefully coming from the unused allowance item money in the contract. A change order may need to be processed for this work within the next few weeks when all costs have been defined. A credit change order will also be processed at that time for the work that does not need to be performed under the river. Contractor has also completed the manhole rehabilitation work.

On Monday December 14th the contractor was mobilized to complete the grout installation of the slip-lined sections. The grout is required to fill the annular space between the original trunk sewer pipe and the new slip-line pipe. After pumping the grout for a period of time it appears that a joint displacement occurred in one of the slip-lined pipe joints causing the grout to enter the inside of the trunk sewer. The contractor worked at removing as much of the grout as possible prior to it hardening, but was unable to complete the clean up on Monday. Flow was restored in the trunk sewer to avoid running the Bedford Street pumps all night; the Clark pumps were left on to avoid any potential for back-ups in that line. Until further grout removal is conducted it is not possible to determine the amount of grout that has entered the pipe or what the joint actually looks like. The contractor will continue to remove the grout from the pipe until there is sufficient ability to inspect it. PS&S has spoken with the pipe manufacturer and the distributor regarding follow-up and repair techniques.

The project completion date (June 11, 2007) has been exceeded and the Contractor has requested an extension of time. PS&S is in the process of reviewing this request in light of the current situation. Several meetings have taken place to discuss his claims. No resolution has been made.

PS&S continues to provide construction observation of the contractor's activities.

Wastewater Management Planning

PS&S continues to provide services related to the Authority Wastewater Management Plan (WMP) on an as needed basis. PS&S received a letter from NJDEP dated October 17, 2007 indicating that previous comments submitted by RVSA regarding the draft WMP were non responsive and they would reject the plan unless they received response to their letter within 30 days. The WMP issue as you may recall is related to the NJPDES appeal of the flow that is being using to compute loading limits. As part of the Settlement meeting with the NJDEP it was agreed that pending a final agreement between all parties on the appeals the RVSA would request an extension to the 30 day response deadline in the letter. PS&S drafted and sent the extension request letter on November 12th. If the NJPDES appeal is resolved satisfactorily for all parties the RVSA can accept the WMP language as currently drafted and proceed with the adoption process.

No further activity.

Cogeneration Funding

The NJBPU Office of Clean Energy-Renewable Energy Advanced Power Program grant has been awarded to the Authority in the amount of \$500,000. PS&S has responded to all the NJBPU questions concerning the use of the digester gas and the blending system since the original grant documentation pre-dated the inclusion of the blender. The NJBPU forwarded the draft agreement to the Authority for review. The Authority met with a representative of the NJBPU during the last period to discuss the agreement and provide invoice documents for their review of eligibility against the loan.

Cogeneration Facility - Air Permitting

PS&S and the Authority are proceeding with the preparation of an additional Title V Significant Modification application to modify certain permit required monitoring and recordkeeping requirements and to address some potential variability in digester gas characteristics. PS&S is waiting on input from the Authority regarding natural gas/digester gas ratio limits for this modification application. In addition, PS&S has drafted an emission test protocol for reduced sulfur emission testing from the Sludge Dryer. This emission testing protocol has been submitted to NJDEP for review and approval. PS&S is assisting RVSA in assessing potential emissions test method issues with regard to the Cogeneration engine emissions testing methodologies, and has prepared a response to NJDEP comments regarding testing methods for particulate matter (PM and PM-10). NJDEP has reviewed this response and has given approval to the Cogeneration engines emission testing protocol.

Digester Brick Replacement-Contract #157

The contractor, Agia Mason, has completed removal of the face brick and the concrete coping. He has installed the metal studs in preparation for the foam insulation and the metal panel installation. Excavation around the digesters to facilitate the panel installation has been completed and the river stone ground cover has been installed. PS&S has reviewed the Contractor's submittals and is providing construction observation.

Cogeneration/Sludge Drying Facility – Engine Investigation

PS&S continues to assist the Authority and CCMS in follow-up activities related to the engine “backfire” events related to engines #1 and #3. PS&S in addition to participating in project conference calls was involved with the following activities:

Review of the ITG rupture disc shop drawings and submittals.

User Charge and Flow Rights Reports

The November flow rights report covering October was finalized and submitted at the November Board meeting; the user charge reports were finalized after the meeting. The end of year report which determines the assessments after the inter-municipal adjustments are applied was also finalized and submitted.

The December reports covering November 2007 were finalized and submitted.

Mr. Pelissier asked if there had been any resolution related to the Rahway resident who complained about the odor in the park. Mr. Brinker stated that we are looking into it. He added that the issue is that if we re-open the vent, which has been sealed for years, we will probably have to apply to the NJDEP for an air permit as well as installation of odor control device.

Mr. Venturo noted that there was a problem with that pit for many years until it was sealed. He added that since that pit was sealed and the stack vent installed, we have not had any complaints until this recent one. He continued on to say that the odor may be from the fact that we are working on the line in that area.

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 November 19, 2007 through December 17, 2007.

CSP Improvements & related issues

Contracts #155 & #156

Continued to follow up with CCMS regarding insurance coverage expirations. CCMS has provided an updated insurance certificate showing renewals of its general and excess liability insurance policies. All policies are now current.

Reviewed lien claim filed by a subcontractor and response submitted by General Contractor regarding Contract #155.

Administrative Appeals Re: Treatment Works Approval

With respect to the Treatment Works Approval, the final issue on appeal has been consolidated with the appeal that was filed regarding the Authority's NJPDES permit. (See discussion of NJPDES Permit Appeal- item #1 under "Miscellaneous").

Cogeneration Facility

Reviewed and discussed with Interim Executive Director propriety of potential change orders submitted by contractor, including its recent request for additional overhead, and performed legal research relative to same.

Met with Woodbridge Township building officials regarding the issuance of a temporary certificate of occupancy for the dryer side of the building in order to allow for testing of the facility and they agreed to same provided the Contractor supplies certain information.

Caterpillar Engines Explosion Issue

Had numerous discussions with the Interim Executive Director, CCMS and PS&S relative to the issues associated with the explosions of Engines #1 and #3. Performed extensive legal research with respect to legal recourse that the Authority may have against the various parties. Also have had ongoing discussions and dialog with counsel for J.H. Reid relative to the contractor's obligation to perform the repair work under the contract. On August 14, 2007 this office sent a letter to the contractor's surety informing it of the situation and indicating that action may be taken against the bond in the event that work does not progress in a timely manner.

Had extensive negotiations with J.H. Reid and its counsel regarding a Contract Modification to existing Contract #105 in order to allow for the repair work to the engines. Further details with respect to this matter may be discussed with the Board in executive session.

MiscellaneousNJPDES Permit Appeal

On October 26, 2007 a settlement conference was held at the Office of Administrative Law at which time a resolution of the remaining two (2) issues in the case (an emergency bypass and the required loading limits) was discussed with NJDEP. The parties have reached an agreement in principle that will require some additional information to be supplied by the Authority to NJDEP before the settlement can be finalized.

Miscellaneous Contracts

We reviewed bids and made recommendations with respect to Contracts #0812, #0813, #0817, #0819, #0820, #0821 and #0822.

Garwood/Trunk Sewer conflict

Reviewed documents received from the Interim Executive Director and performed legal research regarding a conflict with Garwood's DPW garage and the Authority's trunk sewer line. A title search has been ordered and we are in the process of preparing an agreement to be executed between the Authority and Garwood.

Contract #144-Trunk Sewer Rehabilitation

Had several meetings and discussions with the contractor and its counsel regarding contractor claims and a redefined scope of the remaining work on the contract.

2008 Budget Surplus

Mr. Lombardo asked if Counsel had a chance to research the surplus issue for the Authority as requested at the last meeting. Mr. Hak stated that he had not had the opportunity to fully examine it, however, noted he would not disagree with the opinion of the Authority's Bond Counsel and would defer to the opinion provided by Bond Counsel with regard to this

interpretation of the Local Authorities Fiscal Control Law as in his opinion, Bond Counsel is more familiar with that law than himself. Mr. Hak continued on to say that in his opinion, the monies were raised from the ratepayers for previous assessments and as a result the monies should go back to the ratepayers. To ensure that the surplus goes back to the ratepayers and does not get used for another source, he feels that it should be done as a deduction of the 2008 assessment rather than a cash refund, as if it were done by a cash refund, there is no way for the Authority to know if it was used to offset sewer charges.

Mr. Pelissier stated that he agrees with the Authority Counsel that the surplus should be returned to the municipalities, however, he disagrees with the methodology that Counsel refers to. Mr. Pelissier stated that the municipalities pay for the sewer charges from RVSA, and pay for it through their property taxes. Therefore, a reduction in assessment or a cash check is equally the same – the RVSA sends a bill to the municipality and that bill is a line item in the municipality's budget, if that bill is reduced, then that line item is reduced. If the municipality receives a check, the municipality would list the money as anticipated revenue. Only if the municipality has a sewer utility would Mr. Hak's comments be correct.

Mr. Pelissier also noted that Bond Counsel stated that the Division of Local Government Services did not make a ruling on this issue and that the only way it could be decided is in fact, if there were a lawsuit. The Bond Counsel could not cite a citation that prevented the Authority returning a cash check. It was Bond Counsel's opinion since it didn't say the Authority couldn't send a check. He also noted that in concurrence with Mr. Luban, it is not the Authority's business what a municipality does with the money. If a municipality were to be sued for using the money for something else, that would be the municipality's problem.

Mr. Mazzarella stated that the Local Finance Notice states that Regional Authorities can return money by way of a check. Mr. Hak responded that you have to read the entire law to interpret it properly. Mr. Materna responded that the LFN also provides the refund as a 5% cap of Operating Budget.

Mr. Materna also stated that he has a time constraint and would like to send the budget to Trenton prior to the first of the year and also provide the municipalities their proposed assessment amounts as the municipalities are in the process of formulating their budgets.

Mr. Venturo stated that in the past when the Authority has returned surplus, it did it in the form of a reduced assessment. Mr. Luban stated that this is a very large surplus. Mr. Chin stated that during the 1990's through the year 2001 we returned \$13.8 million of surplus in the form of reductions to annual assessments.

Committee Reports

The Chairman asked if there were reports from any of the following Committees:

Engineering Committee (C. Clark Landale, Committee Chair)

Mr. Landale stated that an Engineering Committee Meeting was held on December 17, 2007, at which time several items were discussed. Items which require action are on the agenda under New Business.

Finance Committee (Charles Lombardo, Chair)

Mr. Lombardo stated that Finance Committee Meetings were held December 17, 2007 and earlier this evening at which time the 2008 Budget and Bills and Claims were reviewed and discussed. Action is on the agenda under New Business and Bills and Claims.

Personnel Committee (Joan Papen, Chair)

Mrs. Papen stated that a Personnel Committee Meeting will be held in January 2008.

Mrs. Papen added that she has been made aware and felt that other Commissioners should also be made aware of the fact that some inaccurate information regarding the Authority, its budget and its Commissioners was broadcast over a local access station which was also seen in other communities. Mrs. Papen noted that she has a portion of that broadcast which is about 10 minutes in length and would like to show it to the Commissioners, so they can have the opportunity on the record to correct any misinformation.

Mr. Luban suggested that it be done at the end of the business portion of the meeting. Mr. Luban asked what town saw it. Mrs. Papen said it was broadcast in Rahway and Clark. It was agreed to play it later in the meeting.

Sludge Management Committee (Frank Mazarella, Chair)

No report.

Legal Committee (Joan Papen, Chair)

No report.

Public Relations Committee (Rosalie Berger, Chair)

No report.

Insurance Review Committee (Allen Chin, Chair)

No report.

Unfinished Business

None.

New Business

Action on Resolution #07-69 regarding the 2008 Budget, was deferred to later in the meeting, after Bills & Claims and the viewing the videotape Mrs. Papen requested to be shown.

The following Resolution #07-70 was offered by Mr. Lombardo, on motion of Mr. Lombardo, and seconded by Mr. Murphy. The resolution was unanimously approved by the members present. Mr. David was absent.

RESOLUTION #07-70

WHEREAS, the Rahway Valley Sewerage Authority (Authority) is a corporate public body created pursuant to N.J.S.A. 40:14A-1 et seq.; and

WHEREAS, the Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq., permits public entities including sewerage authorities to invest monies in their possession by the purchase of certain types of securities as described in N.J.S.A. 40A:5-15.1; and

WHEREAS, N.J.S.A. 40A:5-15.1 requires that no securities be purchased unless authorized by resolution adopted by a majority vote of all of the members of the Authority; and

WHEREAS, the Authority seeks to empower its Secretary-Treasurer annually with the power to make such purchases, i.e. investments that are in the best interest of the Authority and are permitted by New Jersey law.

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that it hereby authorizes the Secretary-Treasurer of the Authority to make investments on behalf of the Authority by only purchasing securities permitted to be purchased under N.J.S.A. 40A:5-15.1, Sections 105, 508, and utilizing monies that are in the possession of the Authority and available for such purpose of the applicable items; and

BE IT FURTHER RESOLVED that this resolution shall be for the period January 1, 2008 through December 31, 2008.

The following Resolution #07-71 was offered by Mr. Lombardo, on motion of Mr. Lombardo, and seconded by Mr. Murphy.

RESOLUTION #07-71

WHEREAS, the State of New Jersey Statutes provide that a Resolution be adopted by Public Bodies each year designating depositories for funds.

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that the following bank be designated as the depository of funds of the said organization for the year 2008 and any other qualified bank hereafter named, will be named in an amendment to this resolution:

Wachovia Bank
Summit, NJ

Mr. Chin stated that he wished to advise the Commissioners that he had a conversation with Mr. Materna earlier in the day regarding this resolution. Mr. Chin wanted to know how the Authority chose Wachovia Bank and noted that he is a director on the Board of the Town Bank of Westfield and would naturally like to get the business. He asked if the Secretary-Treasurer could look into the rates being paid and any charges and compare them against what The Town Bank could provide. He added that if they can provide better interest rates, then they would like to be considered. Mr. Chin also noted that he would abstain from voting on any action involving the Town Bank.

Mr. Materna stated that he shops around for interest rates when he is making investments and noted that, among other banking institutions, J.P. Morgan Chase has provided the best interest rates during the past year.

The resolution was unanimously approved by the members present. Mr. David was absent.

Mr. Lombardo made a motion, seconded by Mrs. Papen, approving the mileage reimbursement be amended from \$0.485 to \$0.505 effective January 1, 2008, as per the IRS tax guidelines, as recommended by the Interim Executive Director. The motion was unanimously approved by the members present. Mr. David was absent.

The following Resolution #07-72 was offered by Mrs. Papen, on motion of Mrs. Papen, and seconded by Mr. Luban. The resolution was unanimously approved by the members present. Mr. David was absent.

RESOLUTION #07-72

WHEREAS, the Rahway Valley Sewerage Authority is required by the State of New Jersey, Department of the Treasury, Division of Contract Compliance and Equal Employment Opportunity Public Contracts, to annually appoint a Public Agency Compliance Officer (P.A.C.O.); and

WHEREAS, said Officer shall be the official liaison with the Department of the Treasury, Division of Contract Compliance for matters concerning Public Law 1975, c. 127 (N.J.A.C. 17:27) and shall have the authority to recommend the appropriate procedural corrections to the Rahway Valley Sewerage Authority; and

WHEREAS, Robert J. Materna, Secretary-Treasurer, presently serves the Authority as its Equal Employment Opportunity Officer and Public Agency Compliance Officer (P.A.C.O.) and is familiar with the regulation of P.L. 1975, c. 127.

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority,

that it hereby appoints Robert J. Materna, to again serve as its Public Agency Compliance Officer (P.A.C.O.) for the year 2008 and that said appointment shall be confirmed to the State of New Jersey, Department of the Treasury, by January of each ensuing year as required by law.

The following Resolution #07-73 was offered by Mrs. Papen, on motion of Mrs. Papen, and seconded by Mr. Luban. The resolution was unanimously approved by the members present. Mr. David was absent.

RESOLUTION #07-73

WHEREAS, the Township of Scotch Plains filed a Treatment Works Application on behalf of Guarriello & Dec Associates/Better View Homes, Inc./Pheasant Run Estates, for a project to be located on Pheasant Lane in the Township of Scotch Plains, State of New Jersey; and

WHEREAS, the application is for the construction of 979 lf of 8” sewer and 7 manholes to service a 7 new single family homes and one existing 2 family home with a proposed additional flow of 2,700 gpd or .0027 mgd; and

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

WHEREAS, the application has been reviewed by Michael J. Brinker, Jr., P.E., Interim Executive Director/Chief Engineer, and found to be in order.

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

The following Resolution #07-74 was offered by Mr. Landale, on motion of Mr. Landale, and seconded by Mr. Chin. The resolution was unanimously approved by the members present. Mr. David was absent.

RESOLUTION #07-74

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolutions #03-50 and #07-25 and #07-54 and related Agreements for Contract #144A/E, for the purpose of engaging Paulus, Sokolowski & Sartor (PS&S), 67A Mountain Blvd. Ext., Warren, NJ, for Professional Services specifically related to Contract #144 Trunk Sewer Rehabilitation; and

WHEREAS, the Authority has determined that there is a need to amend this agreement to provide for Engineering Services related to the extended period of time associated with the work on this contract; and

WHEREAS, Paulus, Sokolowski & Sartor submitted documentation reflecting the need

for additional monies related to the additional scope on this contract; and

WHEREAS, the additional amount to be authorized for this Contract is \$37,020.00; 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 2007 Annual Budget.

WHEREAS Professional Services have been determined to be exempt from public bidding under N.J.A.C. 40A:11-1 et. seq.

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 \$148,182.00; be and are hereby amended to provide for the increased contract amount of \$37,020.00 resulting in a total contract not to exceed \$185,202; 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.

The following Resolution #07-75 was offered by Mr. Landale, on motion of Mr. Landale, and seconded by Mr. Chin. The resolution was approved by the members present with the exception of Mr. Pelissier who voted against. Mr. David was absent.

RESOLUTION #07-75

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolution #07-55 and related Agreement for Contract #0727, for the purpose of engaging Omni Environmental, 321 Wall Street, Research Park, Princeton, NJ 08540, for Professional Services specifically related to providing Settlement Conference Engineering Support Services; and

WHEREAS, the Authority has determined that there is a need to amend this agreement to provide for additional Engineering Services; and

WHEREAS, Omni Environmental submitted documentation reflecting the need for additional monies related to the additional scope on this contract; and

WHEREAS, the additional amount to be authorized for this Contract is \$4,000.00; 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 2007 Annual Budget.

WHEREAS Professional Services have been determined to be exempt from public bidding under N.J.A.C. 40A:11-1 et. seq.

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that the previously adopted Resolutions and related Agreements with Omni Environmental in an amount of \$3,000.00; be and are hereby amended to provide for the increased contract amount of \$4,000.00 resulting in a total contract not to exceed \$7,000.00; 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. Landale made a motion, seconded by Mr. Chin, to rescind the motion made at the November 19, 2007 meeting whereby the bids received on Contract #0817 were rejected, as discussed at the December 17, 2007 Engineering Committee Meeting. The motion was unanimously approved by the members present. Mr. David was absent.

Mr. Landale made a motion, seconded by Mr. Chin, to award Contract #0817-Equipment Rental And Sewer Line Inspection Services to the low bidder, All American Sewer Service, Wallington, NJ, Option B, in an estimated amount of \$294,660.00, whose bid was originally found to be non-conforming, however, was in fact in order, as reviewed by Counsel and discussed at the Engineering Committee Meeting. The motion was approved by the members present with the exception of Mr. Mazzarella who voted against. Mr. David was absent.

Mr. Landale made a motion, seconded by Mr. Chin, to award Contract #0820-Grit & Screenings Removal to the low bidder, Spectraserv, Inc. of South Kearney, NJ at a cost of \$94.00/ton, total estimated contract amount of \$188,000.00, as discussed at the Engineering Committee Meeting. The motion was unanimously approved by the members present. Mr. David was absent.

Mr. Landale made a motion, seconded by Mr. Chin, to award Contract #0822-Furnish and Deliver Sodium Hypochlorite to the low bidder, JCI Jones Chemicals, Inc. of Warwick, NY at a cost of \$0.87/gal, total estimated contract amount of \$435,000.00, as discussed at the Engineering Committee Meeting. The motion was unanimously approved by the members present. Mr. David was absent.

The following Resolution #07-76 was offered by Mr. Pelissier, on motion of Mr. Pelissier, and seconded by Mr. Chin. The resolution was unanimously approved by the members present. Mr.

David was absent.

RESOLUTION #07-76

WHEREAS, the City of Rahway filed a Treatment Works Application on behalf of Guarriello & Dec Associates and Riverview Manor, for a project to be located on Lennington Street in the City of Rahway, State of New Jersey; and

WHEREAS, the application is for the construction of 231 lf of 8" sewer and 4 new manholes to service a 13 unit townhouse development e with a proposed additional flow of 3,900 gpd or .0039 mgd; and

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

WHEREAS, the application has been reviewed by Michael J. Brinker, Jr., P.E., Interim Executive Director/Chief Engineer, and found to be in order.

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

The following Resolution #07-77 was offered by Mr. Luban, on motion of Mr. Luban, and seconded by Mr. Mazzarella. The resolution was unanimously approved by the members present. Mr. David was absent.

RESOLUTION #07-77

WHEREAS, the Township of Woodbridge has resubmitted a Treatment Works Application for a project known as SJP/Englehard Campus to be located on Middlesex-Essex Turnpike and Wood Avenue South in the Township of Woodbridge, State of New Jersey; and

WHEREAS, the application has been resubmitted as the previously approved application, RVSA Resolution #05-62 has expired per NJDEP regulations; and

WHEREAS, the application is for the construction of 8" sewer main to service a 9 story office building with a proposed flow of .029 mgd, which remains unchanged from the original application; and

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

WHEREAS, the application has been reviewed by Michael J. Brinker, Jr., P.E., Interim Executive Director/Chief Engineer, and found to be in order.

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

Bills and Claims

Mr. Lombardo made a motion, seconded by Mrs. Papen, that the following bills and claims previously audited by the Finance Committee be ordered paid. The motion was approved by the members present; Mr. Luban was absent.

Mr. Lombardo stated that he wished to note for the record that the total accumulated amount that has been invoiced to J.H. Reid for expenses incurred by the Authority related to the Cogeneration mishaps is \$164,244.96.

BUILDING & EQUIPMENT FUND

<u>CHECK#</u>	<u>DATE</u>	<u>VENDOR</u>	<u>ACCT/LINE#</u>	<u>AMOUNT</u>
2256	12/20/07	AGIA MASON INC.	0140.2	168,727.50
2257	12/20/07	ARGENT ASSOCIATES LLC	0140.7	427.50
2258	12/20/07	CONSOLIDATED CONSTRUCTION MGT.	0140.2/7	244,280.93
2259	12/20/07	EE CRUZ COMPANY INC.	0140.7	2,590,971.50
2260	12/20/07	J.H. REID, GENERAL CONTRACTOR	0140.2	28,077.00
2261	12/20/07	PAULUS, SOKOLOWSKI & SARTOR	0140.2/7/9	23,887.01
2262	12/20/07	RAHWAY VALLEY SEWERAGE AUTH.	0140.7	39,535.02
2263	12/20/07	WEINER LESNIAK	0140.9	9,451.50

Total Building & Equipment Fund Checks: 8

Total Void Checks: 0

Total Amount Void: \$0.00

Total Amount Paid: \$3,105,357.96

CONSTRUCTION FUND

<u>CHECK#</u>	<u>DATE</u>	<u>VENDOR</u>	<u>ACCT/LINE#</u>	<u>AMOUNT</u>
1167	12/20/07	MARVEC CONSTRUCTION CORP.	0140.4	145,960.12
1168	12/20/07	PAULUS, SOKOLOWSKI & SARTOR	0140.4	38,000.00

Total Construction Fund Checks: 2

Total Void Checks: 0

Total Amount Void: \$0.00

Total Amount Paid: \$183,960.12

OPERATING FUND

<u>CHECK#</u>	<u>DATE</u>	<u>VENDOR</u>	<u>ACCT/LINE#</u>	<u>AMOUNT</u>
1167	12/20/07	MARVEC CONSTRUCTION CORP.	0140.4	145,960.12
34131	11/20/07	SOMERVILLE ALUMINUM INC.	32	12,868.00
34132	11/29/07	ELIZABETHTOWN GAS	22	346.41
34133	11/29/07	HESS CORPORATION	19	85,285.34
34134	11/29/07	MERCHANTS OF VENICE	49	104.32
34135	11/29/07	NJ DIVISION OF FIRE SAFETY	37	449.00

34136	11/29/07	POLAND SPRING WATER COMPANY	46	114.84
34137	11/29/07	PSE&G COMPANY	19	22,708.05
34138	11/29/07	RAHWAY VALLEY SEWERAGE AUTH.	01/02	144,378.55
34139	11/29/07	STANDARD INSURANCE COMPANY	03	2,171.62
34140	11/29/07	STAPLES BUSINESS ADVANTAGE	13	356.04
34141	11/29/07	STAR LEDGER	12	336.00
34142	11/29/07	VERIZON	11/30	881.53
34143	11/29/07	VERIZON WIRELESS	11	508.71
34144	11/29/07	WOODRUFF ENERGY	22	2,228.77
34145	12/03/07	ADP, INC.	03	170.28
34146	12/03/07	DELTA DENTAL PLAN OF NJ	03	5,872.77
34147	12/03/07	ELIZABETHTOWN GAS	22	1,388.51
34148	12/03/07	SUPERMARKETS GENERAL CORP.	18	1,710.00
34149	12/03/07	VISION SERVICE PLAN	03	1,130.22
34150	12/05/07	HOME DEPOT CREDIT SERVICES	32	598.76
34151	12/05/07	USA MOBILITY WIRELESS, INC.	11	9.32
34152	12/20/07	A TOUCH OF ITALY	49	111.00
34153	12/20/07	ADP, INC.	16	1,665.60
34154	12/20/07	ADVANCED SPECIALTY SALES, INC.	32	976.64
34155	12/20/07	ADVANTECH CORPORATION	32	584.37
34156	12/20/07	ALL AMERICAN SEWER SERVICE INC.	32	10,701.00
34157	12/20/07	ALLIED FILTER COMPANY	38	596.40
34158	12/20/07	AMERICAN INDUSTRIAL SUPPLY CORP.	32/38	501.78
34159	12/20/07	AMERICAN WEAR	32	1,337.75
34160	12/20/07	ASSOCIATED AUTO PARTS	35	308.28
34161	12/20/07	ATLAS LADDER & SCAFFOLDING CO.	38	5,150.00
34162	12/20/07	ROSALIE F. BERGER	49	506.72
34163	12/20/07	ARCANGEL BOSQUE	31	149.49
34164	12/20/07	BOWCO LABORATORIES, INC.	32	63.00
34165	12/20/07	CANON FINANCIAL SERVICES, INC.	16	1,301.17
34166	12/20/07	HECTOR L. CARTAGENA	04	280.50
34167	12/20/07	CDW GOVERNMENT, INC.	27	3,738.22
34168	12/20/07	CERTIFIED HEALTH & SAFETY SERVICE	31	985.00
34169	12/20/07	GEORGE CHESKOWICH	31	138.60
34170	12/20/07	ALLEN CHIN	49	480.67
34171	12/20/07	CHROMATE INDUSTRIAL CORP.	38	480.43
34172	12/20/07	CITY OF RAHWAY/UNITED WATER RES.	33	8,855.17
34173	12/20/07	COGENT COMMUNICATIONS, INC.	27	674.00
34174	12/20/07	COOPER ELECTRIC SUPPLY COMPANY	32	1,053.86
34175	12/20/07	CORRECT TEMP, INC.	32	1,037.25
34176	12/20/07	DONNA CORRIS	15	213.21
34177	12/20/07	CSL SERVICES, INC.	30	15,735.99
34178	12/20/07	CW SALES CORPORATION	38	3,477.03
34179	12/20/07	D2L ASSOCIATES, INC.	42	2,360.00
34180	12/20/07	GREGG DAVID	49	300.00
34181	12/20/07	JOHN DERKACK	31	129.99
34182	12/20/07	HARRY DONES	31	150.00
34183	12/20/07	LOUIS DUPLESSIS	04	561.00
34184	12/20/07	EDIBLE ARRANGEMENTS-WOODBRIDGE	18	77.00
34185	12/20/07	ELIZABETHTOWN GAS	22	2,456.97
34186	12/20/07	EMED CO., INC.	31	235.91
34187	12/20/07	JUDY ENGELMANN	31	79.99

34188	12/20/07	ENVIRONMENTAL RESOURCE ASSOC.	40	145.79
34189	12/20/07	GREGORY EVELYN	31	150.00
34190	12/20/07	FEDEX	48	115.16
34191	12/20/07	FISHER SCIENTIFIC	40	3,337.09
34192	12/20/07	NAIM FRANKLIN	31	69.99
34193	12/20/07	GALETON GLOVES	32	239.65
34194	12/20/07	GERHART SYSTEMS & CONTROLS	32	9,200.00
34195	12/20/07	W.W. GRAINGER, INC.	32	405.65
34196	12/20/07	GARY W. GRAY TRUCKING, INC.	25/26	100,471.35
34197	12/20/07	H & D LINDEN MOTORS	38	102.24
34198	12/20/07	HACH COMPANY	40/43	761.27
34199	12/20/07	HAYES PUMP INC.	32	2,980.00
34200	12/20/07	HAZMAT CHEMICAL STORAGE, INC.	33	1,721.00
34201	12/20/07	ROY HERMAN	31	139.98
34202	12/20/07	HOME NEWS TRIBUNE	12	1,024.60
34203	12/20/07	INSTRUMENTATION TECHNOLOGY	32	1,700.00
34204	12/20/07	INTERNATIONAL SALT COMPANY	32	3,506.97
34205	12/20/07	JERSEY ELEVATOR COMPANY INC.	32	174.00
34206	12/20/07	C. CLARK LANDALE	49	531.06
34207	12/20/07	LIBERTY MUTUAL INSURANCE GROUP	17	40,076.00
34208	12/20/07	CHARLES P. LOMBARDO	49	608.78
34209	12/20/07	LONGO ELECTRICAL-MECHANICAL, INC.	32	540.00
34210	12/20/07	ROBERT G. LUBAN	49	614.82
34211	12/20/07	ROBERT J. MATERNA	15	322.40
34212	12/20/07	MAX L. BROWN HARDWARE CO., INC.	32	25.00
34213	12/20/07	FRANK G. MAZZARELLA	49	535.08
34214	12/20/07	DON McCOY	31	119.98
34215	12/20/07	MCMASTER-CARR SUPPLY CO.	32/38	921.43
34216	12/20/07	MECHANICAL SERVICE CORP.	32	190.10
34217	12/20/07	METALS USA PLATES & SHAPES NORTH	32	240.00
34218	12/20/07	MILLER MECHANICAL CORPORATION	32	16,160.00
34219	12/20/07	MODERN HANDLING EQUIP. OF NJ	32	612.98
34220	12/20/07	ROBERT MRASZ	31	280.50
34221	12/20/07	MULTI-CARE HEALTH CENTER	50	250.00
34222	12/20/07	JAMES J. MURPHY	49	437.85
34223	12/20/07	MURRAY, MONTGOMERY & O'DONNELL	09	10,000.00
34224	12/20/07	NATIONAL POWER EQUIPMENT CO.	32	5,450.00
34225	12/20/07	NATIONAL FUEL OIL, INC.	24	2,095.92
34226	12/20/07	NEW PIG CORPORATION	38	253.53
34227	12/20/07	NW FINANCIAL GROUP	09	85.00
34228	12/20/07	OMNI ENVIRONMENTAL LLC	08	2,304.88
34229	12/20/07	ONE CALL SYSTEMS, INC.	32	58.50
34230	12/20/07	PALL CORPORATION	40	103.02
34231	12/20/07	JOAN PAPEN	49	594.99
34232	12/20/07	PAULUS, SOKOLOWSKI & SARTOR LLC	05/06	13,784.80
34233	12/20/07	PETER H. PELISSIER	31	300.00
34234	12/20/07	EDMUND PETROSKY	04	280.50
34235	12/20/07	PITNEY BOWES, INC.	16	324.00
34236	12/20/07	POLYDYNE INC.	23	41,068.80
34237	12/20/07	PRECISION ELECTRIC MOTOR WORKS	38	336.00
34238	12/20/07	PSE&G COMPANY	19/42	459.37
34239	12/20/07	PUMPING SERVICES, INC.	32	5,342.75

34240	12/20/07	QC LABORATORIES	40/41	3,034.00
34241	12/20/07	RAHWAY VALLEY SEWERAGE AUTH.	01/02	268,300.91
34242	12/20/07	RAHWAY STEEL DRUM COMPANY, INC.	32	24.00
34243	12/20/07	RAHWAY ELECTRIC SUPPLY	32	103.82
34244	12/20/07	RUTGERS, THE STATE UNIVERSITY	31	260.00
34245	12/20/07	SAFETY-KLEEN CORP.	32	229.49
34246	12/20/07	COLONEL SATTERWHITE	31	280.50
34247	12/20/07	WILLIAM SEIBOTH	04	187.00
34248	12/20/07	SIEMENS WATER TECHNOLOGIES	40	588.00
34249	12/20/07	JOSEPH SOWA	31	139.92
34250	12/20/07	STAR LEDGER	12	126.00
34251	12/20/07	DONALD STUART	31	187.00
34252	12/20/07	SUPERIOR WELDING & BOILER	32/38	4,420.00
34253	12/20/07	GEORGE SZOTAK	04	561.00
34254	12/20/07	TELEDYNE ISCO	43	1,148.25
34255	12/20/07	THE BANK OF NEW YORK	09	6,000.00
34256	12/20/07	JAMES THOR	31	139.96
34257	12/20/07	TRUMP TAJ MAHAL CASINO RESORT	15/49	962.23
34258	12/20/07	TURTLE & HUGHES INC.	32	55.00
34259	12/20/07	UNITED PARCEL SERVICE	48	68.00
34260	12/20/07	UNITED STATES PLASTIC CORP.	40	111.28
34261	12/20/07	UNIVAR USA INC.	29	32,312.72
34262	12/20/07	VAN HOUTEN-AVENEL PLUMBING & HEAT	38	173.55
34263	12/20/07	ATTILIO S. VENTURO	49	765.86
34264	12/20/07	VERIZON	11/30	1,122.99
34265	12/20/07	WEINER LESNIAK	07/08	21,675.86
34266	12/20/07	921-WELCO-CGI GAS TECH LLC	32/40	345.88
34267	12/20/07	WOODRUFF ENERGY	22	3,490.61
34268	12/20/07	ARTHUR M. WRIGHT, JR.	04	280.50
34269	12/20/07	MAGDALENA ZIOBRON	31	109.99

Total Operating Fund Checks: 139
Total Void Checks: 0
Total Amount Void: \$0.00
Total Amount Paid: \$969,828.13

Total All Funds Checks: 149
Total Void Checks: 0
Total Amount Void: \$0.00
Total Amount Paid: \$4,259,146.21

OPERATING FUND	7-01	\$969,828.13
BUILDING & EQUIP FUND	7-02	3,105,357.96
CONSTRUCTION FUND	7-04	<u>183,960.12</u>
TOTAL ALL FUNDS:		\$4,259,146.21

New Business (Cont'd.)

The Chairman stated that the tape as provided by Commissioner Papan, which includes a portion

of the City of Rahway's December 4, 2007, City Council meeting may be played at this time.

In the video, Commissioner Pelissier, who is also the Administrator for the City of Rahway, commented on a letter from the Authority dated December 3, 2007, regarding the 2008 Budget and the reimbursement of unexpended funds. Mr. Pelissier stated that he and Clark's Commissioner Mr. Mazzarella for the past many months have been requesting the support of other member municipalities to explore the finances and operations of the Authority. He stated that they were unable to and further, received resolutions from Scotch Plains, Garwood, Cranford, Roselle Park, Mountainside and Kenilworth which objected to exploring of reducing costs at the Authority. Mr. Mazzarella and I personally proceeded to intimately review the budget and as a result of that information came out that the Authority had anticipated a surplus of \$2.6 million for the year 2007. He continued on to say that there was an excess of \$7.5 million in the years 2003-2006 and also monies in the capital reserve. By the fact that we inquired and I went to the Finance Committee meeting and argued with the Commissioners from Scotch Plains and Garwood that this excess money should be returned to the municipalities. I will give one example of the 2008 budget. In reviewing the line item for Legal expenses budgeted for \$600,000.00, I asked how that number was derived, how much did we spend in 07, and was told \$450,000.00; asked if there are any anticipated legal matters that will come up in 08, and was told no; therefore, my recommendation was to lower the number to \$450,000.00 however, Garwood and Mountainside recommended that the amount be \$500,000.00.

Some of the comments made by a Rahway City Council member during their discussion stated that our board was acting "almost criminal"; Mr. Pelissier stated that these are lay people who are not aware. He also stated that the City of Rahway should go back and review the Authority's finances further; by obtaining our own independent Auditors to go in and review the Authority's SS-9 Forms, State Budgets and Audit Reports to determine how much surplus has been generated in previous years. Mr. Pelissier stated that he also wanted to give credit to the Interim Executive Director for his presentation as he felt that Mr. Brinker did a meticulous, detailed analysis of the cost of energy to the point that it was down to the KW hour and felt that the presentation was well documented.

At the conclusion of the video, Chairman Venturo asked if there were any comments from the Commissioners.

Mr. Lombardo stated that for the record, the Committee never talked about not returning the \$6 million dollars; that was never an issue. Mr. Lombardo noted that Mr. Pelissier is correct in that the Committee did discuss how to return the funds, however, there were differences of opinion, and Mr. Lombardo noted that he felt that the money should be returned in a staging process in order to avoid spikes in the assessments, he said if we give it all at once, obviously the following year assessment will not have a credit and therefore will show an enormous increase.

Mr. Materna stated that Mr. Pelissier being a new Commissioner has a limited understanding of the history of the Authority's finances and noted that he is sure that every member municipality also has a surplus. Mr. Materna noted that since he started with the Authority, he has maintained a small surplus; however, recent budget overages were principally attributed to unforeseen issues related to the ongoing construction, more specifically to the fact that the cogeneration facility has

not gone online. Mr. Materna also stated that he advised the Finance Committee of the monies which are tied up in restricted accounts and are not considered surplus.

Mr. Ventura stated that the Federal government mandated that Infiltration/Inflow (I/I) was to be eliminated from sanitary sewers starting some 25 years ago. The Authority undertook a study of where the I/I was entering the Authority's system, however, none of the municipalities took measures to correct the problem, which is why the Authority was forced into this plant upgrade. He added that he thinks the Authority is well run, however, greatly worries about the indebtedness that the Authority is facing.

Mr. Pelissier stated that he is only speaking to the Operating Budget and thanked Mrs. Papen for showing the segment of the film, as he doesn't take any exception to what was said. He noted that as of the date of the Council meeting his feelings were expressed based on the information he had, since then he has received additional information to resolve some issues, however, still has questions with regard to payroll and overtime; the budget allocation for Legal matters; the cost for the lobbyist although he noted that he supported that resolution and wished he hadn't.

Mrs. Papen commented that the information provided by Mr. Pelissier at his Council meeting, regarding reducing costs at this Authority and how that was objected to by several municipalities. Mrs. Papen stated that this comment by Mr. Pelissier was related strictly to privatizing the plant and that was objected to, however, the municipalities did not object to saving money. She added that going through the privatization process would have cost us money; we spent money in 2005 investigating privatization and our elected officials chose not to pursue privatization.

Mr. Ventura stated that there was a remark about the ratio of supervisors to staff and noted that this is a 24/7/365 day operation. This means that there needs to be a supervisor on every shift, 7 days a week, and that there are people operating the plant on those shifts – which is only a skeleton crew. Mr. Brinker added that during normal hours, many other employees are required for the full operation of this plant including the lab, the office, maintenance, etc.

Mr. Lombardo requested that the Budget resolution be acted on. The Chairman concurred.

The following Resolution #07-69 was offered by Mr. Lombardo, on motion of Mr. Lombardo, and seconded by Mrs. Papen.

RESOLUTION #07-69

RAHWAY VALLEY SEWERAGE AUTHORITY

FISCAL YEAR: From January 1, 2008 To December 31, 2008

WHEREAS, the Annual Budget and Capital Budget for the Rahway Valley Sewerage Authority ("Authority") for the fiscal year beginning January 1, 2008 and ending December 31, 2008 has been presented before the governing body of the Rahway Valley Sewerage Authority at its open public meeting of December 20, 2007; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$19,735,755.00, Total Appropriations including any Accumulated Deficit if any, of \$25,735,755.00 and Total Unreserved Retained Earnings utilized of \$6,000,000.00; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$29,550,000.00 and Total Unreserved Retained Earnings planned to be utilized as funding thereof, of \$ - ; 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 an open public meeting held on December 20, 2007, 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, 2008 and ending December 31, 2008 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 upon receipt of the approved copy from the State of New Jersey Dept. of Community Affairs.

Mr. Lombardo stated that the budget as presented reflect that the 2008 assessments will be offset by the \$6 million dollar surplus.

Mr. Chin stated that as he stated at the meeting held on the 17th, he objected to the fact that the Finance Committee told Mr. Brinker to send a letter out to the towns saying that we were giving a \$6 million credit. He added that the Finance Committee overstepped their bounds, and asked for Counsel's concurrence. Counsel concurred. Mr. Chin went on to say that he has been on the

Board since 1985 and has been keeping track of the surplus since 1989 and what has been returned. Mr. Chin also noted that in all due respect to Mr. Pelissier and Mr. Mazzarella, he was in fact the one who brought up the surplus issue at the September 17th meeting and has documents reflecting the information. He further stated that he then went to his Town Administrator and advised that he planned to push for the surplus to be applied against the 2008 budget and assessments. He noted that he had copies of his correspondence to share with the other Commissioners if they wanted to see them. Mr. Chin added that he also thinks that the way the budget and related meetings were handled this year was not acceptable and that the Commissioners as a whole need to receive the budget; at least two weeks before a committee meeting where all of the Commissioners are present to discuss it so there is adequate time to ask questions, receive answers and subsequently make modifications to the budget before the board is expected to act on it. The process should take more time – the Commissioners should see the initial budget in early November for action in December, not December 17th for action on December 20th.

Mr. Chin also noted that he takes exceptions to other comments made by Mr. Pelissier at this City Council meeting, specifically Mr. Chin noted that he himself is “not in a daze” and he is “not a layman” – he added that he served four years as the Mayor of Westfield, 4 years as a Councilman and am a Registered Professional Engineer in NY and NJ and have been through many budgets over the years. With regard to the allocation for Legal Expenses, the figure came from Counsel, so if Counsel feels that is what he will spend, the Secretary-Treasurer is not to question that. Mr. Chin noted that he has also bristled at the spending of \$125,000 a year on a lobbyist, however, look at the results; we may be realizing \$25 million in grants. Mr. Chin responded to the questioning of our professionals, in that we received an opinion from our Bond Counsel and another from General Counsel, why would we not follow their professional opinions with regard to not issuing checks to the member municipalities for disbursement of the surplus. Why should the Authority take a chance and then talk about being sued. If we get sued we would be liable. He stated he would not go against Counsel’s opinion.

Mr. Hak stated that the line item for his services has been spoken about and would like to explain that he arrived at the \$600,000 amount to maintain the same amount as last year with additional legal work on the Caterpillar Engines; the CSP is winding down and will have closeout issues; some of the smaller contracts that were entered into 3 or 4 years ago will be coming to a close and may entail additional legal work. Mr. Pelissier stated that this information was not provided to the Finance Committee.

After brief discussion, Mr. Mazzarella moved to amend the resolution to reflect a 4% increase in the year 2008 Operating Expense Budget over the prior year and to return the surplus to the member municipalities as a reimbursement, in one payment by way of a check in relation to the 5 year moving averages. The amendment was seconded by Mr. Luban.

Mrs. Papen stated that if the Authority reimbursed the municipalities in one check, the Authority may have to borrow money in order to get through to July. She also stated that this should have been in two amendments not one.

Mr. Ventura stated that he disagrees with the proposal to cut the budget further by another

\$135,000.00, as the budget is an estimate and there are too many unknowns, especially with everything that is going on at the plant.

The Chairman requested a roll call vote on the amendment.

<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Clark	Garwood	Kenilworth	
Cranford	Mountainside		
Rahway	Roselle Park		
Springfield	Scotch Plains		
Woodbridge	Westfield		

As the vote was 5 to 5, the motion to amend the resolution was defeated.

The Chairman requested that a roll call vote be taken on the original Resolution as presented.

<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Clark	Cranford	Kenilworth	
Garwood	Rahway		
Mountainside	Woodbridge		
Roselle Park			
Scotch Plains			
Springfield			
Westfield			

As the vote was 7 to 3 and, the resolution was approved.

Open the Floor to the Public

The Chairman asked if there was anyone from the public who wished to address the Board.

Mr. Patrick Casion a resident of Rahway addressed the board. Mr. Casion stated that he was here Monday night and again listened tonight. He noted that he cannot believe the Commissioners who wanted to have the surplus disbursed by way of check; why would anyone ever go against the advice of Counsel. Further, he noted he was shocked that there was City personnel at the Authority to tape the meeting when in fact, Mr. Pelissier who is the head of the Rahway Redevelopment Agency does not have his agency meetings taped which has been requested. Other than that, he noted Mr. Pelissier did ask some good questions and feels that the other Commissioner did a good job in questioning the preparation of the budget.

Mr. Brian Ursay a resident of Rahway addressed the Board. Mr. Ursay said that today Mr. Pelissier advised the City of Rahway’s residents that the assessment to the City from the RVSA would be \$4.1 million dollars, however, noted he looked at our budget documents and did not see that number. Mr. Pelissier stated that number did not include the reimbursement of surplus, with the return of the surplus; Rahway’s assessment will be approximately \$2.7 million. Mr. Ursay thanked Mr. Materna for the clarification.

Mr. Mazzarella stated that he has been advised of some new anti-terrorism guidelines for chemicals which may be at the plant and asked that Counsel review the guidelines and report back to the Engineering Committee.

Mr. Venturo asked if there were any other comments. There being none, Mr. Venturo thanked the members of the public for attending.

Closed Session

None.

Adjournment

As there was no further business, on motion of Mr. Lombardo, seconded by Mr. Mazzarella, the meeting adjourned at 10:10 p.m. The motion was unanimously approved.

Robert J. Materna, Secretary-Treasurer

JG/jg
Attachments