

RAHWAY VALLEY SEWERAGE AUTHORITY

Summary of Minutes

Regular Meeting held February 16, 2006

- Election of Officers
Annual reorganization.

- Communications
Letter and Resolution from the Township of Cranford.
Letter and Resolution from the Borough of Roselle Park.
Letter from Richard Tokarski regarding his retirement.
Letter from Anthony Gencarelli, RVSA Manager of Regulatory Compliance regarding privatization.

- Minutes
Approved the minutes of the Regular Meeting held January 19, 2006.
Approved the minutes of the Special Meeting held February 9, 2006.

- Treasurers Reports
Treasurer's reports for the month of December 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, Personnel and Public Relations Committees.

- Unfinished Business
None.

- New Business
Approved the following: Adopted the 2006 Budget; Purchase of Security; Authorize to sign off on Value Engineering Change Orders; TWA for the Township of Woodbridge; Approved resolution to supercede December 15, 2005 motion regarding salary increases; Appointed S-4 License Operator; Amendment to Contract #105E to PS&S for an additional \$30,100.00 for additional air permitting services and protocol testing; and Tribute to Richard P. Tokarski.

Rahway Valley Sewerage Authority
Summary of Minutes (Cont'd.)
February 16, 2006

- Bills and Claims

OPERATING FUND	5-01	\$196,932.43
BUILDING & EQUIPMENT FUND	5-02	\$40,658.10
CONSTRUCTION FUND	5-04	<u>\$459.00</u>
BUDGET YEAR 2005 TOTAL		\$238,049.53
OPERATING FUND	6-01	\$826,247.12
BUILDING & EQUIPMENT FUND	6-02	<u>\$5,227,868.86</u>
BUDGET YEAR 2006	\$	\$6,054,115.98
TOTAL ALL FUNDS		\$6,292,165.51

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 and again on February 14, 2006.

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
John C. Ludington, II	for the City of Rahway
Thomas J. McHale	for the Borough of Kenilworth
James J. Murphy	for the Township of Cranford
Joan Papen	for the Township of Scotch Plains

The following members were absent:

Robert G. Luban	for the Township of Woodbridge
Frank G. Mazzarella	for the Township of Clark
Attilio S. Ventura	for the Borough of Roselle Park

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
Robert Valent	Superintendent
Robert Poltz	Network Administrator
Jean Manigold	Laboratory Supervisor

Al Biel	Cogeneration Supervisor
Dave Patrick	Biosolids Supervisor
Andrew Sasso	Shift Supervisor
Robert Safchinsky	Maintenance Coordinator
Gary Marano	Maintenance Foreman
Thomas Macaluso	Asst. Laboratory Supervisor
Edward Kochick	Asst. Supervisor of Ind. & Munic. Operations
John Hruska	Asst. Supervisor of Ind. & Munic. Operations
Janet Thevenin	IPP Coordinator
Marcin Ziobron	Health & Safety Coordinator
Judy Englemann	Lab Analyst
Magdalena Ziobron	Lab Analyst
Rob Remite	Electrician
John Miller	Electrician
John Derkack	Maintenance Man
Joseph Sowa	Maintenance Man
Ray Linder	Maintenance Man
Scott Mackin	Maintenance Man
Michael Rogers, Sr.	Process Operator / Union Shop Steward
Thomas Watters	Process Operator / Assistant Union Shop Steward
Stephen Issardin	Process Operator
Jim Thor	Utility Worker
Stephen Moreira	Utility Worker
Harry Dones	Utility Worker
Francisco Rivera, Jr.	Utility Worker
Don McCoy	Utility Worker
Heraldo Privado	Utility Worker
Keren Schultz	Westfield Leader

Election of Officers

Mr. Chin asked the Secretary to conduct the election for Chairman for the year ending February 15, 2007.

Mr. Materna asked the Nominating Committee for their recommendation for the Office of Chairman for the year ending February 15, 2007.

Mr. Murphy was nominated by Mr. McHale and seconded by Mrs. Berger.

Mr. Materna asked if there were any other nominations.

There were none. Mr. Materna then stated that there being no further nominations, he asked for a motion to close the nominations.

Mr. Lombardo made a motion, seconded by Mr. Ludington that the nominations be closed.

Mr. Materna then stated that as the Secretary, he cast a ballot for the election of Mr. Murphy as Chairman.

The motion was unanimously approved and the Chairman stated "So ordered".

Mr. Materna declared Mr. Murphy as the duly elected Chairman for the year ending February 15, 2007.

The newly elected Chairman, Mr. Murphy, assumed the role of Chairman.

The Chairman, Mr. Murphy, asked the Secretary to conduct the election for Vice-Chairman for the year ending February 15, 2007.

Mr. Materna asked the Nominating Committee for their recommendation for the Office of Vice-Chairman for the year ending February 15, 2007.

Mr. Ventura was nominated by Mr. McHale and seconded by Mr. Ludington.

Mr. Materna asks if there were any other nominations.

There were none. Mr. Materna then stated that there being no further nominations, he asked for a motion to close the nominations.

Mrs. Papen made a motion, seconded by Mr. Ludington, that the nominations be closed.

Mr. Materna then stated that he cast a ballot for the election of Mr. Ventura as Vice-Chairman.

The motion was unanimously approved with the exception of Mr. Lombardo who abstained. The Chairman stated "So ordered".

Mr. Materna declared Mr. Ventura as the duly elected Vice-Chairman for the year ending February 15, 2007.

The newly elected Chairman, Mr. Murphy, made a presentation to the out-going Chairman, Mr. Chin. Mr. Murphy thanked Mr. Chin for his excellent leadership during his term as Chairman and presented him with a plaque.

Mr. Chin thanked the Commissioners for working with him during his term and wished Mr. Murphy luck during his term as Chairman.

Suspend the Regular Order of Business

Mr. Chin then asked to read Resolution #06-16 out of the normal order of business. The Chairman told him to do so.

The following Resolution #06-16, was then offered by Mr. Chin, on motion of Mr. Chin, seconded by Mr. Ludington and unanimously approved.

WHEREAS, Richard P. Tokarski (“Rich”) has been an employee of the Rahway Valley Sewerage Authority (the “Authority”) for over 35 years; and

WHEREAS, Rich has been the Executive Director of the Authority since March 1, 1980; and

WHEREAS, Rich has demonstrated excellent leadership in leading the Authority to be among the first sewerage authorities to obtain funding for a dewatering plant and planning and seeing through its construction; and

WHEREAS, under his leadership, the Authority was among the first sewerage authorities to "get out of the ocean"; and

WHEREAS, under his leadership, the Authority has received several WAVE Awards from the Association of Environmental Authorities; and

WHEREAS, under his leadership, the Authority has received many other awards and commendations for its excellent performance; and

WHEREAS, under his leadership, the Authority is currently in the midst of a major construction expansion program; and

WHEREAS, Rich has spent more than 35 years working for the Authority, working hard and tirelessly and loyally to ensure that the Authority performs to its maximum efficiency possible, meeting all the environmental requirements; and

WHEREAS, Rich will retire from the Authority on March 1, 2006.

NOW, THEREFORE, BE IT RESOLVED, that the Authority, all its Commissioners, staff and employees congratulate Richard P. Tokarski on a magnificent career and on a job well done and wish him health, wealth and happiness in his retirement.

Everyone wished Mr. Tokarski well during his retirement.

The Chairman then noted that since there were so many people in attendance this evening, he would continue the suspension in the regular order of business, as at the Engineering Committee Meeting held on February 9th, the employees were told by the Committee Chairman that they could address the board this evening. The Chairman then opened the floor to the employees.

Mr. Valent, the Superintendent, made the first presentation to the Board on behalf of the Supervisory Staff. Mr. Valent stated that he had prepared a memo, a copy of which was distributed to the Commissioners. He then went on to say that he and other members of the staff had done research with regard to United Water. He noted that United Water’s parent company is

Suez Water, which is a profit-oriented company, based in France. He added that he was not sure whether the Board intended to privatize the whole plant or just the cogeneration facility, however, noted that United Water proposes to save the Authority over \$3 million dollars the first year and added that in the staff's opinion, this amount is grossly overstated. He also stated that the "unknowns" of a private company can negatively impact the Authority. In the long run, Change Orders presented by the outside company can cost the Authority more and the staff at the Authority knows the plant better than an outside firm. It would take an outside firm at least a year to bring themselves up to speed, however, with a treatment plant, there are many different things that impact the daily operations, and decisions relate to the overall treatment process.

Mr. Valent stated that he hoped that the Commissioners and staff would continue their long, beneficial relationship at the plant and thanked the Board for their time.

Mr. Watters, Process Operator and Assistant Union Shop Steward addressed the Board. Mr. Watters stated that our combined Maintenance Department has over 125 years of service here on the site and that they have the knowledge to quickly and efficiently locate any problem and perform the necessary maintenance. He noted that he is a lifelong resident of Woodbridge and has been working at the plant for 27 years.

He noted that his research has indicated that United Water is mostly involved in water treatment not sewage treatment and added that they also do not have the best track record. He stated that one main consideration of the treatment plant is the waters that the Authority discharges into, and a change to a private company could be detrimental to those same waters we are trying to preserve.

Mr. Watters stated that eliminating employees is not the way. He added that many employees have families with children, some small and some in college. He also noted that many of the employees have earned their Sewerage Treatment Operators Licenses and continually go for training to maintain their licenses and their skills.

Mr. Watters also noted that he does not remember ever reading bad press about the Authority and added that he knows for a fact that our rates per household are among the lowest in the state.

Mr. Watters added that the employees would like the Commissioners keep them in their plans and thanked the Board for affording him and other staff members the time to express their concerns regarding privatization.

Mr. Michael Rogers, Sr., Process Operator and Union Shop Steward, addressed the Board. Mr. Rogers noted that the Authority's maintenance department has extensive training on plant equipment and will be able to maintain the new equipment coming on line, with ongoing additional training. He noted that the Chief Mechanic has a Black Seal Boiler License; and added that with the recent installation of a lift, all vehicles are now being maintained on site as opposed to paying for outside services. Mr. Rogers also noted that the operators are on shift 24/7 and are devoted employees who give up holidays and other occasions with their families due to their work schedules.

Mr. Rogers reiterated Mr. Watter's comments, in that he also asked that the Board take the employees into consideration when making their decisions, and thanked the Commissioners for their time.

Mr. Materna, stated that Anthony Gencarelli, Manager of Regulatory Compliance could not be in attendance due to a scheduling conflict, however, noted that Mr. Gencarelli sent in a letter, which is included in the Communications, and asked that it be read at the meeting.

Communications

The following letter addressed to Chairman, Allen Chin, was received February 10, 2006, from Anthony Gencarelli, RVSA Manager of Regulatory Affairs, regarding Concerns & Issues Relative to Contract Operations:

“Unfortunately, I will be on vacation in Colorado the week of February 13 and, therefore, will be unable to attend the Authority's February 16 Board Meeting. Since I cannot attend that meeting, I wanted to write the Board and express my personal views and concerns regarding contract operations of the Rahway Valley Sewerage Authority's wastewater treatment plant.

First, I would like to express my complete and unmitigated agreement with the points that were made by yourself and Commissioner Landale at the February 9 Engineering Committee meeting. You are absolutely correct in your statement that the Authority needs to allow its staff to operate the facilities that are currently under construction in order to establish a baseline that can be compared against any proposed savings by a contract operations firm. Any discussion of savings at this point is meaningless, since no one knows what the costs will be for the Authority's staff to operate the new facilities. Second, I agree with Commissioner Landale about the need to prepare a request for proposal (RFP) that would have a precisely defined scope of work detailing exactly what would be expected of an outside firm. However, it is my opinion that there is still one bigger issue that must be considered first and foremost. RVSA's commissioners need to examine the disadvantages and risks associated with a contract operations arrangement and decide whether or not this is a business philosophy that is consistent with the best interests and desires of the Authority and its ratepayers.

In summary, I respectfully request that the Commissioners consider the following points before entertaining the possibility of engaging a private company to operate and maintain its facilities:

1. The Authority will be relinquishing direct control of the operation and maintenance (O&M) of its facilities. The Authority currently has considerable control over the staffing levels, level of service and O&M approach and philosophy. This control will be significantly reduced if an outside firm is engaged. The Authority's staff has a primary goal and mission of serving the best interests of the ratepayers. A private firm has a primary goal and interest of maximizing profits for its shareholders.

2. Engaging a contract operations firm is similar in many ways to contracting with a construction contractor. There are change orders resulting from unforeseen conditions and work not contemplated in the contract. For example, the Authority would still be responsible for capital repairs. As a result, contract operation firms typically defer maintenance and thereby significantly reduce their expenses and the expected life of process equipment. The cost of equipment replacement is borne by the Authority, not the contract operations firm. Does the Authority really want to expose the new facilities that it is constructing to premature failure and replacement that will only result in even greater costs to its ratepayers?
3. Once an agreement with a contract operator is executed, they will pursue any available means to increase their margin. This may include bringing in outside waste and sludge for processing with the Authority's equipment. This will result in additional wear and tear and maintenance on the Authority's equipment, at the expense of the ratepayers with no benefit to the Authority, for the profit and gain of the contract operations firm.
4. I believe the Board needs to educate itself concerning major failures in attempts to privatize and/or institute contract operations at publicly owned utilities. United Water (UW) was involved with a 20-year contract for privatization of the water and wastewater utilities in Atlanta. Information concerning this mega failure at privatization is readily available on the Internet. A few of the major issues as reported by Public Citizen (a national non-profit public interest organization) are summarized as follows (<http://www.citizen.org/documents/atlantafiasco.pdf>, and <http://www.citizen.org/cmep/Water/us/municipal/atlanta/articles.cfm?ID=9211>):
 - a. The money that could be saved was overstated.
 - b. The amount of work needed to perform adequate O&M for the system was understated.
 - c. UW almost immediately started requesting additional money.
 - d. UW came back with claims for an additional \$80,000,000.
 - e. Work was improperly billed that was never performed.
 - f. Atlanta was billed for an additional \$37,600,000 for capital repair and maintenance of which the City paid \$16,000,000. (Payment was withheld where work wasn't completed.)
 - g. Routine maintenance was billed as capital repairs.
 - h. Sewer bills went up every year UW had the contract and averaged 12% annually.
 - i. Potable water quality deteriorated.
5. It is likely that there will be substantial legal and engineering costs to the Authority with regard to preparation of an RFP, and for review and evaluation of any proposals submitted. Certainly these costs must be considered as offsets to any so called "savings".

6. Once the Authority takes the leap to contract operations, I believe that it will be very difficult to regain control of the facilities with its own staff, if it decides that contract operations were a mistake. It won't be impossible, but it would be very disruptive and challenging to put back together a management team that could efficiently and effectively oversee operation of the facilities on day one.
7. Lastly, preparation of a proper RFP will require the diversion of Authority resources, i.e., personnel. The staff will better serve the Authority by spending its available time thought involvement in the current construction projects and day to day requirements of properly operating and maintaining our facilities rather than answering questions and providing information to a private firm whose primary interest is maximizing its own profit margins.

In summary, I personally do not believe that contract operations or privatization is in the best interests of the ratepayers, or the Authority. If this were the case, major authorities throughout the State and country would be privatized or under contract operations. I am not saying that there is no place for contract operations in this industry. This may be an appropriate avenue to take for packaged plants and small facilities that only need to be manned several hours a day. RVSA is a major facility that is required by the New Jersey Department of Environmental Protection to be manned 24 hours a day, 7 days per week, 365 days a year. I truly believe that there is no group that can better serve the needs and interests of the ratepayers and the Authority than its own staff.

I will be returning from vacation on Monday, February 20 and will be available to discuss these points in further detail with any of the Commissioners, if they so desire.”

The Chairman stated that everyone's jobs are safe, however, added that the Commissioners are looking at all possible options to save money, cut spending, and/or create revenues, in order to lower the rates for the member communities of this Authority.

The Chairman thanked all the employees for attending the meeting and making their presentations to the Board. He then stated that the Regular Order of Business will resume at this time.

Regular Order of Business

Communications (Cont'd.)

The following letter and copy of Resolution #2006-98, were received from Rosalie Hellenbrecht, Township Clerk for the Township of Cranford:

“Enclosed is Resolution #2006-98 that was adopted by the Township Committee of the Township of Cranford at a meeting held January 10, 2006, appointing James J. Murphy as Rahway Valley Sewerage Authority Commissioner for a five (5) year term ending February 1, 2011.

Resolution #2006-98: BE IT RESOLVED, by the Township Committee of the Township of Cranford, at a meeting held January 10, 2006, that James Murphy be, and hereby is, appointed as Township Representative to the Rahway Valley Sewerage Authority for a five (5) year term ending February 1, 2011.”

The following letter and copy of Resolution #31-06, were received from Donna L. Corrigan, Deputy Borough Clerk, for the Borough of Roselle Park:

“Enclosed herewith please find a certified copy of Resolution #31-06, reconfirming appointment of Attilio S. Ventura as Roselle Park’s Commissioner to the Rahway Valley Sewerage Authority, which was adopted at the meeting of Mayor and Council held on January 19, 2006.

Resolution #31-06: BE IT RESOLVED that the Mayor and Council of the Borough of Roselle Park hereby reconfirms the Mayors appointment of Attilio S. Ventura as Roselle Parks Commissioner to the Rahway Valley Sewerage Authority, effective January 5, 2006 for a five year term expiring on December 31, 2010.”

Please note that Mrs. Grimes has informed the Borough of Roselle Park that the term of Mr. Ventura’s appointment should be modified to comply with N.J.S.A. 40:14A-4.

The following letter addressed to Allen Chin, Chairman, dated January 28, 2006 was received February 7, 2006 from Richard Tokarski, Executive Director:

“Please accept this as formal notice of my retirement beginning March 1, 2006.

I would like to express my appreciation for the opportunity to advance with the organization, beginning as Chemist then progressing through several positions and serving as Executive Director for 26 years. During my tenure, I was proud to have been a participant in the many advances which took place. The design and construction start up of the facility upgrade and expansion was the most noteworthy in my career as an Environmental Professional. Once completed, the new facility will serve our customers and protect our water environment into the next century.

I’ll be sorry to leave the excellent staff and the commissioners who supported me through the years at Rahway Valley.

I thank you for your guidance and assistance. Sincerely, Rich”

Approval of Minutes

Mrs. Papen made a motion, seconded by Mr. McHale, to approve the minutes of the Regular Meeting held January 19, 2006. The motion was unanimously approved.

Mr. Lombardo made a motion, seconded by Mrs. Papen, to approve the minutes of the Special Meeting held February 9, 2006. The motion was unanimously approved.

Report of Treasurer

The Treasurer's Reports for the month of December 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 1/17/06 and 2/14/06:

<u>Number</u>	<u>Date</u>	<u>Applicant</u>	<u>Municipality</u>
829-06-WB	01/20/06	AJV Engineering	Woodbridge
830-06-WB	01/31/06	Paul Ciesla	Woodbridge
831-06-WB	02/06/06	Home Builders & Renovations	Woodbridge
832-06-WB	02/06/06	Home Builders & Renovations	Woodbridge
833-06-SF	02/06/06	Michael D'Achille	Springfield

Monthly Reports

The following reports were received and distributed to the Commissioners:

- PS&S - Engineering Committee & Regular Monthly Reports
- CCMS - Contract #105 – Cogeneration Facility Report
- CCMS - Contract #155 – WWTP Upgrade Report
- CCMS - Contract #156 – Gravity Relief Sewer Report
- Weiner Lesniak - Monthly Report
- Murray Montgomery & O'Donnell – Monthly Report
- RVSA Superintendent – 2005 Summary Operations Report
- RVSA IPP Coordinator – IPP Activity Report, Oct. 2005 Revised
- RVSA IPP Coordinator – IPP Activity Report, Nov. 2005
- RVSA IPP Coordinator – IPP Activity Report, Dec. 2005

United Water

Representatives from United Water attended the January Engineering Committee Meeting and presented information related to their company and how their company may be of service to the

Authority. After lengthy discussion, the Commissioners agreed to defer the matter for further discussion at this month's Engineering Committee meeting. Also, the Commissioners requested that the minutes of that meeting be transcribed verbatim, a copy of which has been distributed to the Commissioners for review. This matter was discussed at length at the February 9th Engineering Committee Meeting and again earlier this evening.

Contract #155-C Construction Management Services on CIP/CSP

A letter addressed to the Authority Chairman was received from Lino DeAlmeida, Jr., President/CEO of CCMS, the construction manager on this contract. Mr. DeAlmeida's letter advised that Dave Coats, the present Project Manager at the RVSA plant, is leaving their firm and that CCMS has hired Manny Parada, P.E. who will assume the position of Project Manager at the RVSA facility. The transition will occur during the month of February. A copy of the letter and Mr. Parada's resume and list of qualifications has been distributed to the Commissioner for review.

Contract #105-E – Engineering Services related to the Cogeneration/Sludge Drying Facility

PS&S submitted a proposal dated February 6, 2006, for additional Engineering Services related to Air Permitting Services and NJDEP Emissions Testing Protocol related to the Cogeneration and Sludge Drying Facilities. PS&S has broken the cost down into four tasks, with a proposed cost of \$30,100.00, amending their total contract amount to \$1,511,579.00. A copy of their proposal has been distributed to the Commissioners. I have reviewed the proposal and recommend approval. 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 Woodbridge submitted a Treatment Works Application on behalf of MetroPlaza III NJ Associates, Inc./Hilton Homewood Suites to be located on Wood Avenue South in the Township of Woodbridge. The application is for the construction of 560 lf of 8" gravity sewer and 3 manholes to service a 124 Suite Extended Stay Hotel and will generate approximately 9,825 gpd of new flow. The Chief Engineer has reviewed the application and recommends approval and I concur. The matter was discussed at the Engineering Committee Meeting and 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 January 14, 2006 through February 10, 2006.

Mr. Wancho stated that first he would like to thank Rich Tokarski for the professionalism shown to him over the past few years that he has been the Authority's Consulting Engineer and added that it has been a pleasure to work with Rich.

Addition of Centrifuge at Sludge Dewatering Building - Contract #132

No activity.

JCO Compliance

The NJDEP has advised the Authority in writing regarding acceptance of the force majeure event regarding JCO construction completion milestone for Contract #105. PS&S completed and submitted the Quarterly Report, covering October-December 2005, prior to the submittal deadline at the end of January 2006.

Laboratory Renovation – Contract #145

PS&S is currently providing construction observation of Contractor activities. The Contractor continues the installation of ductwork, rough electrical, rough plumbing, sprinkler piping, hot water supply/return piping and site hardscape.

Rehabilitation of Digesters #2 & #3 - Contract #147

The Contractor has completed construction on the extra work orders, enabling him to process the final payment application.

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 and administrative changes related to the Local Public Contracts Law.

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 is currently tracking the permit application process. Based on recent discussions with the NJDEP the permit is currently being drafted. The NJDEP has requested that a minor permit

modification be processed covering the pneumatic conveying systems and the carbon filters. PS&S has prepared the application and will make a submittal after the application is signed by RVSA and a permit fee check is issued.

Digester Brick Replacement - Contract #157

PS&S has proceeded with design drawings developing the scope of work for the digester brick replacement.

User Charge and Flow Rights Reports

The January User Charge and Flow Rights reports, covering December 2005 were finalized and submitted after the January Board meeting. The February User Charge and Flow Rights reports will be finalized and submitted when the data is available.

Mr. Ludington stated that he, again, would like to point out that so far this year, Rahway's flow for 2006 18.25% which is up 10% from 2005's low of 8.18% and 2004 which was 6.09%. He noted that these percent increases are extreme. He added that for the towns with larger contributions such as Clark, Cranford, Rahway, Westfield and Woodbridge, these fluctuations have significant impact on their respective budgets. He added that he still feels there must be a more equitable way to assess the municipalities. Mr. Wancho stated that he agrees with Mr. Ludington's comments – in that he also feels the swings are extreme but noted that the flows are what they are. Mr. Wancho also stated that he too feels there should be a more equitable way to assess the allocations.

Mr. Ludington also noted that the Inter-municipal Agreement states that towns which exceed their flow rights, must be assessed fees for such exceedences and noted that the Authority is not following the Agreement.

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 January 18, 2006 through February 14, 2006.

CSP Improvements & related issues

Contract #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. The Middlesex County Planning Board has a meeting scheduled for February 14, 2006 at which time it will consider the Authority's application.

Chairman Chin asked that we research the possibility of renegotiating our construction contracts due to the decline in the price of steel. A report was made to the Board at the last Regular Meeting.

One additional note, we have received verbal approval from the Middlesex County Planning Board which should be formalized by next week.

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 executed copies from the City of Rahway and the NJDEP and have filed them with the respective clerks of Union and Middlesex Counties.

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. We drafted correspondence to be sent to the

affected property owners under the Chief Engineer's signature. We are awaiting a response.

Miscellaneous

Methane 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. Last week we followed-up with a telephone call to the City and we have been advised that the report is being prepared for the City has still not been 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 ($\$175,440.76 - \$63,451.76 = \$111,989$). We have reached a proposed settlement with the surety the specifics of which will be discussed in executive session. A resolution has been prepared for the Board's consideration memorializing the settlement.

Miscellaneous Contracts

Performed legal research regarding issues involving the biosolids reuse and hauling contract and reviewed and revised the bid specifications prepared by CDM with respect to same.

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.

United Water presentation

Commenced research regarding general legal issues associated with the United Water presentation.

Mrs. Papen asked what the issues are. Mr. Hak stated that he is exploring different scenarios regarding privatization and will make a formal report to the Board.

Mr. Hak further stated that he too wished to express his appreciation for working with Mr. Tokarski and wished him well during his retirement.

Committee Reports

The Chairman stated that a copy of the 2/16/2006-2/15/2007 Committee Appointments have been distributed to the Commissioners and are listed below. As those Committees take effect after this meeting, the Committee reports to be given this evening shall be from the existing Committee members.

2006 Committees

<u>Committee</u>	<u>Chairperson</u>	<u>Committee Members</u>	
Engineering	Frank Mazarella	Allen Chin	John Ludington
Finance	Charles Lombardo	John Ludington	Joan Papen
Personnel	Robert Luban	Thomas McHale	Rosalie Berger
Sludge Management	Attilio Venturo	Rosalie Berger	Clark Landale
Commissioners Hand Book	Thomas McHale	Joan Papen	Attilio Venturo
Computer	Clark Landale		
Insurance Review	Allen Chin	Frank Mazarella	Robert Luban
Legal	Joan Papen	Frank Mazarella	Robert Luban
Nominating	Robert Luban	Frank Mazarella	Charles Lombardo
Public Relations	Joan Papen	Clark Landale	John Ludington
Retreat	Allen Chin		
Security	John Ludington	Thomas McHale	Attilio Venturo

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

Engineering Committee (Frank Mazarella, Chairman)

Mr. Ludington, Committee Member, stated that an Engineering Committee Meeting was held February 9, 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.

Personnel Committee (Robert G. Luban, Chairman)

No report.

Sludge Management Committee (Attilio S. Venturo, Chairman)

No report.

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)

No report.

Nominating Committee (Robert G. Luban, Chairman)

Mr. McHale stated that the Nominating Committee informally met last month and the reorganization took place earlier at this meeting.

Public Relations Committee (Rosalie F. Berger, Chairwoman)

Mrs. Berger stated that our public relations consultant and photographer will attend the March meeting relating to the annual reorganization for distribution with the press releases.

Retreat Committee (Allen Chin, Chairman)

No report.

Security Committee (John C. Ludington, Chairman)

No report.

Unfinished Business

None.

New Business

The following Resolution #06-10, was offered by Mr. Lombardo, on motion of Mr. Lombardo, seconded by Mr. Chin and unanimously approved.

2006 ADOPTED BUDGET RESOLUTION
RAHWAY VALLEY SEWERAGE AUTHORITY
FISCAL YEAR: From January 1, 2006 To December 31, 2006

WHEREAS, the Annual Budget and Capital Budget Program for the Rahway Valley Sewerage Authority (“Authority”) for the fiscal year beginning January 1, 2006 and ending December 31, 2006 has been presented for adoption before the governing body of the Rahway Valley Sewerage Authority at its open public meeting of February 16, 2006; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflect each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$16,305,000.00, Total Appropriations including any Accumulated Deficit if any, of \$16,305,000.00 and Total Unreserved Net Assets utilized of \$-; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$81,500,000.00 and Total Unreserved Net Assets planned to be utilized of \$525,000.00; and

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Rahway Valley Sewerage Authority, at a open public meeting held on February 16, 2006, that the Annual Budget and Capital Budget Program of the Rahway Valley Sewerage Authority for the fiscal year beginning January 1, 2006 and ending December 31, 2006 is hereby adopted and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and the Capital Budget Program as presented for adoption reflect each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

The following Resolution #06-11, was offered by Mr. Lombardo, on motion of Mr. Lombardo, seconded by Mr. Chin 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
\$1,010,063.55	4.38%	03/15/06

The following Resolution #06-12, was offered by Mr. Ludington, on motion of Mr. Ludington, seconded by Mr. Chin and unanimously approved.

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolution #01-102, #03-63, #04-18, #04-34, etc. and related Agreements for the purpose of engaging Paulus, Sokolowski & Sartor (PS&S), 67A Mountain Blvd. Ext., Warren, NJ, for Professional Services specifically related to Contract #105E, Cogeneration/Sludge Drying Facility; and

WHEREAS, the Authority has determined that there is a need to amend this agreement to provide for Engineering Services related to Additional Air Permitting Services and NJDEP Emissions Testing Protocol; and

WHEREAS, Paulus, Sokolowski & Sartor submitted documentation reflecting the need for additional monies related to the contract; and

WHEREAS, the additional amount to be authorized for this Contract is \$30,100.00; 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 \$1,481,479.00 be and are hereby amended to provide for the increased contract amount of \$30,100.00 resulting in a total contract not to exceed \$1,511,579.00; 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. Ludington made a motion, seconded by Mr. Chin, approving the Executive Director and/or Interim Executive Director to sign off on Authorization Forms related to Value Engineering Change Orders which fall under the “allowance provisions” on Contracts #105, #155 and #156, as recommended by the Construction Manager and discussed at the Engineering Committee Meeting held February 9, 2006. The motion was unanimously approved.

The following Resolution #06-13, was offered by Mr. McHale, on motion of Mr. McHale, seconded by Mrs. Papen and unanimously approved.

WHEREAS, the Township of Woodbridge has filed an application for a Treatment Works Application for MetroPlaza III NJ Associates, LLC/Hilton Homewood Suites, for a development to be located on Wood Avenue South in the Township of Woodbridge, State of New Jersey; and

WHEREAS, the application is for the construction of 8” gravity sewer and installation of 3 manholes to service a new 124 suite extended stay hotel with a proposed additional flow of 9,825 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.

Mr. Ludington stated that based on comments he had made previously during this meeting, Springfield and Woodbridge are both exceeding their flow rights and based on that fact, TWA applications for the municipalities that exceed their flow rights, should not be approved.

Resolution #06-14 is being deferred for action until after closed session.

The following Resolution #06-15, was offered by Mr. McHale, on motion of Mr. McHale, seconded by Mr. Chin and unanimously approved.

AUTHORIZING THE APPOINTMENT OF AN S-4 LICENSED OPERATOR OF THE RAHWAY VALLEY SEWERAGE AUTHORITY

WHEREAS, the Executive Director of the Rahway Valley Sewerage Authority (the “Authority”) will resign his position effective as of March 1, 2006; and

WHEREAS, the Commissioners of the Authority have appointed an Interim Executive Director, who does not have the required S-4 Operator License, until such time as a permanent Executive Director can be appointed by the Commissioners of the Authority.

WHEREAS, the Commissioners also find it necessary to appoint an S-4 Licensed Operator of the Authority as said License is required per N.J.A.C. 7:10A-1.1 and N.J.A.C. 7:27-1.4; and

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

1. The Authority hereby appoints Jean Manigold as the S-4 Licensed Operator of the Authority effective as of March 1, 2006 for such period of time as the Commissioners of the Authority deem appropriate.
2. The S-4 Licensed Operator shall receive a monthly stipend of \$1,666.00, which shall not be included in her base salary, as compensation for the additional duties and responsibilities that she shall be obliged to undertake as the Licensed Operator.
3. The Authority’s Executive Director, Secretary/Treasurer and all of the Authority’s other officials, employees and professionals are authorized and directed to execute those documents and perform those tasks that will affect the purposes of this Resolution.

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

Resolution #06-16 was acted on during the Suspended Order of Business earlier in the meeting.

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 unanimously approved.

BUILDING & EQUIPMENT FUND

CHECK	DATE	VENDOR NAME	LINE/ACCT #	AMOUNT
2110	02/07/06	GARY W. GRAY TRUCKING, INC.	140.7	197,973.47
2111	02/15/06	TREASURER - STATE OF NJ	140.2	350.00
2112	02/16/06	ARGENT ASSOCIATES LLC	140.7/8	3,915.00
2113	02/16/06	CONSOLIDATED CONSTRUCTION MGT.	140.2/7/8	304,854.25
2114	02/16/06	EE CRUZ COMPANY INC.	140.7	3,233,164.23
2115	02/16/06	J.H. REID, GENERAL CONTRACTOR	140.2	367,680.52
2116	02/16/06	NORTHEAST REMSCO CONSTRUCTION	140.8	925,140.09
2117	02/16/06	PAULUS, SOKOLOWSKI & SARTOR, LLP	140.1/2/3/7	40,658.10
2118	02/16/06	W.D. SNYDER COMPANY	140.1	194,791.30

Total Building & Equipment Fund Checks: 9
 Total Void Checks: 0
 Total Amount Void: \$0.00
 Total Amount Paid: \$5,268,526.96

CONSTRUCTION FUND

CHECK	DATE	VENDOR NAME	LINE/ACCT #	AMOUNT
1152	02/15/06	PAULUS, SOKOLOWSKI & SARTOR, LLP	140.4	459.00

Total Construction Fund Checks: 1
 Total Void Checks: 0
 Total Amount Void: \$0.00
 Total Amount Paid: \$459.00

OPERATING FUND

CHECK	DATE	VENDOR NAME	LINE/ACCT #	AMOUNT
31441	01/25/06	STATE OF NJ BUREAU OF REVENUE	37	2,900.00
31442	01/25/06	NW FINANCIAL GROUP	09	41,172.52
31443	01/30/06	HP EXPRESS SERVICE	27	741.00
31444	01/30/06	RAHWAY VALLEY SEWERAGE AUTHORITY	01/02	90,924.54
31445	02/03/06	AT&T	11	487.22
31446	02/03/06	DELTA DENTAL PLAN OF NJ	03	5,781.60
31447	02/03/06	EDIBLE ARRANGEMENTS-WOODBRIDGE	18	143.50
31448	02/03/06	ELIZABETHTOWN GAS	22	8,691.15
31449	02/03/06	PSE&G	19/42	19,592.88
31450	02/03/06	PURCHASE POWER	48	516.99
31451	02/03/06	RELIANT ENERGY SOLUTIONS	19	85,338.89
31452	02/03/06	UNITED PARCEL SERVICE	48	56.00
31453	02/03/06	VERIZON	11/30	360.04
31454	02/03/06	VERIZON WIRELESS	11	516.86
31455	02/03/06	VISION SERVICE PLAN	03	1,339.52
31456	02/03/06	WOODRUFF ENERGY	22	7,961.65
31457	02/07/06	ECHO LAKE COUNTRY CLUB	49	1,240.92
31458	02/07/06	HOME DEPOT CREDIT SERVICES	27/32	1,095.15
31459	02/07/06	RICHARD P. TOKARSKI	15	1,983.29
31460	02/10/06	TRUMP MARINA HOTEL CASINO	15/49	810.00
31461	02/16/06	A&M INDUSTRIAL SUPPLY COMPANY	32	540.07
31462	02/16/06	A TOUCH OF ITALY	49	305.00
31463	02/16/06	AA ELECTRIC - NJ	32	218.76
31464	02/16/06	ADP, INC.	16	910.91
31465	02/16/06	ADVANCED SPECIALTY SALES, INC.	32	895.63
31466	02/16/06	AIRGAS SAFETY, INC.	31	1,004.32
31467	02/16/06	ALL AMERICAN SEWER SERVICE, INC.	47	9,896.00
31468	02/16/06	AMERICAN INDUSTRIAL SUPPLY CORP	32	283.60
31469	02/16/06	APPLIED ANALYTICS, INC.	32/38	3,116.00
31470	02/16/06	AQUATIC SCIENCES CONSULTING	41	1,925.00
31471	02/16/06	ARCH WIRELESS	11	11.19
31472	02/16/06	ASSOCIATED AUTO PARTS	35	496.13
31473	02/16/06	BOWCO LABORATORIES, INC.	47	63.00
31474	02/16/06	BURDE, INC.	38	6,030.00
31475	02/16/06	BUREAU OF NATIONAL AFFAIRS, INC.	41	2,285.00
31476	02/16/06	CAMP, DRESSER & MCKEE, INC.	06	5,437.41
31477	02/16/06	CANON FINANCIAL SERVICES, INC.	16	953.20
31478	02/16/06	CARUS CHEMICAL	32	2,386.28

31479	02/16/06	CDW GOVERNMENT, INC.	27	165.75
31480	02/16/06	CENTRAL JERSEY SUPPLY COMPANY	32	82.50
31481	02/16/06	CITY OF RAHWAY, UNITED WATER RESOURCES	33	6,293.46
31482	02/16/06	CLEAN RENTAL SERVICES, INC.	32	497.51
31483	02/16/06	COGENT COMMUNICATIONS, INC.	27	1,698.00
31484	02/16/06	COMPLETE ELECTRICAL	32	150.00
31485	02/16/06	CONSOLIDATED RAIL CORP.	18	622.57
31486	02/16/06	CONTROL SALES, INC.	32	761.24
31487	02/16/06	COOPER ELECTRIC SUPPLY COMPANY	32/38	6,242.92
31488	02/16/06	CORRECT TEMP, INC	32	166.85
31489	02/16/06	CUNY & GUERBER, INC.	32	400.00
31490	02/16/06	D2L ASSOCIATES, INC.	42	2,240.00
31491	02/16/06	DAVID WEBER OIL COMPANY	34	1,749.00
31492	02/16/06	DELL SERVICE SALES	27	258.00
31493	02/16/06	DIVITA BALANCE SERVICE CO., LLC	40	280.00
31494	02/16/06	ELIZABETHTOWN GAS	22	997.56
31495	02/16/06	EMEDCO	31/32	546.72
31496	02/16/06	EMSL ANALYTICAL INC.	41	1,075.00
31497	02/16/06	ENVIRONMENTAL RESOURCE ASSOCIATES	40	129.98
31498	02/16/06	FISHER SCIENTIFIC	40	6,443.72
31499	02/16/06	ANTHONY GENCARELLI	15	33.82
31500	02/16/06	GENSERVE INC.	34	4,875.00
31501	02/16/06	GEORGIA PRECISION MACHINE	32	231.00
31502	02/16/06	W.W. GRAINGER, INC.	32	1,142.74
31503	02/16/06	GRANT SUPPLY COMPANY INC.	32	2,931.49
31504	02/16/06	GREAT LAKES ENVIRONMENTAL	41	359.38
31505	02/16/06	HACH COMPANY	32/40	2,344.80
31506	02/16/06	HALL & ASSOCIATES	08	1,556.96
31507	02/16/06	HAYES PUMP INC.	38	707.79
31508	02/16/06	HOME NEWS TRIBUNE	12	37.32
31509	02/16/06	STEPHEN ISSARDIN	31	150.00
31510	02/16/06	JERSEY ELEVATOR COMPANY INC.	32	563.70
31511	02/16/06	LAB SAFETY SUPPLY, INC.	31	1,063.67
31512	02/16/06	THE LEE CO.	32	546.00
31513	02/16/06	LUDECA INC.	32	409.74
31514	02/16/06	MAFFEY'S SECURITY GROUP	32	100.00
31515	02/16/06	MAGELLAN BEHAVIORAL HEALTH, INC.	03	550.83
31516	02/16/06	MARK'S AUTO SERVICE/SALES	35	172.40
31517	02/16/06	MAX L. BROWN HARDWARE CO., INC.	32	1,144.65
31518	02/16/06	DONALD McCOY	31	95.99
31519	02/16/06	MCMASTER-CARR SUPPLY CO.	32	1,208.10
31520	02/16/06	MECHANICAL SERVICE CORP.	32	550.50
31521	02/16/06	MODERN SEELY EQUIPMENT-SUPPLY	35	1,447.07
31522	02/16/06	MOTION INDUSTRIES, INC.	32/38	8,260.53
31523	02/16/06	MURRAY, MONTGOMERY & O'DONNELL	09	10,000.00
31524	02/16/06	COLONIA NAPA	35	6,315.00
31525	02/16/06	NATIONAL FUEL OIL, INC.	20/24	13,821.70
31526	02/16/06	NJ MANUFACTURERS INSURANCE CO.	17	4,901.00
31527	02/16/06	NJ MOTOR VEHICLE COMMISSION	35	68.50
31528	02/16/06	TREASURER - STATE OF NJ	37	198,955.76
31529	02/16/06	NJ WATER ENVIRONMENT ASSOC.	31	116.99
31530	02/16/06	NW FINANCIAL GROUP	09	140.00
31531	02/16/06	O'JOHNNIES, INC.	13	2,848.01
31532	02/16/06	ONE CALL SYSTEMS, INC.	32	30.72
31533	02/16/06	OUTSTANDING SERVICE CO., INC.	32	264.90
31534	02/16/06	PAULUS, SOKOLOWSKI & SARTOR, LLP	06	1,954.50
31535	02/16/06	PCI SCIENTIFIC SUPPLY INC.	40	3,448.00

31536	02/16/06	POLAND SPRING WATER COMPANY	46	87.48
31537	02/16/06	POLYDYNE INC.	23	13,836.80
31538	02/16/06	PRECISION ELECTRIC MOTOR WORKS	32	688.00
31539	02/16/06	PROCESSFLO INC.	32	128.04
31540	02/16/06	PSE&G	19	314.73
31541	02/16/06	PUMPING SERVICES, INC.	38	12,401.00
31542	02/16/06	RAHWAY VALLEY SEWERAGE AUTHORITY	01/02	163,671.97
31543	02/16/06	CITY OF RAHWAY	31	50.00
31544	02/16/06	RICHARD LUCAS CHEVROLET	44	168.37
31545	02/16/06	RUSSO SYSTEM, INC.	32	500.00
31546	02/16/06	PETTY CASH	14	287.83
31547	02/16/06	SAFETY-KLEEN CORP.	31	1,100.00
31548	02/16/06	SEVERN TRENT PIPELINE SERVICES	30	25,636.00
31549	02/16/06	SPECTRASERV INC.	25/26	74,801.11
31550	02/16/06	STAR LEDGER	12	330.00
31551	02/16/06	THE BANK OF NEW YORK	09	3,000.00
31552	02/16/06	THE SPI GROUP, LLC	27	200.00
31553	02/16/06	THERMO FORMA, INC.	40	277.90
31554	02/16/06	JANET THEVENIN	31	230.00
31555	02/16/06	THOMAS SCIENTIFIC	40	510.56
31556	02/16/06	TRUMP TAJ MAHAL CASINO RESORT	15/49	1,295.69
31557	02/16/06	UNITED PARCEL SERVICE	48	21.25
31558	02/16/06	UNITED STATES PLASTIC CORP	40	135.76
31559	02/16/06	UNIVAR USA INC.	29	29,694.55
31560	02/16/06	UNITED STATES FILTER/IONPURE, INC.	40	1,928.67
31561	02/16/06	USA BLUEBOOK	32	709.83
31562	02/16/06	VAN HOUTEN-AVENEL PLUMBING & HEATING	32	202.24
31563	02/16/06	VERIZON	11/30	933.94
31564	02/16/06	VERIZON WIRELESS	11	47.66
31565	02/16/06	VIRTUAL COMPUTER SOLUTIONS	27	450.00
31566	02/16/06	WALKER ENGINEERING, INC.	32	1,127.62
31567	02/16/06	WEINER LESNIAK	07/08	46,717.78
31568	02/16/06	921-WELCO-CGI GAS TECH LLC	32/40	233.43
31569	02/16/06	WINZER CORPORATION	32	88.54
31570	02/16/06	WIPE-TEX INTERNATIONAL	32	517.50
31571	02/16/06	WOODRUFF ENERGY	22	28,117.74
31572	02/16/06	ARTHUR M. WRIGHT	03	177.00

Total Operating Fund Checks: 132
 Total Void Checks: 0
 Total Amount Void: \$0.00
 Total Amount Paid: \$1,023,179.55

Total All Funds Checks: 142
 Total Void Checks: 0
 Total Amount Void: \$0.00
 Total Amount Paid: 6,292,165.51

OPERATING FUND	5-01	\$196,932.43
BUILDING & EQUIPMENT FUND	5-02	\$40,658.10
CONSTRUCTION FUND	5-04	<u>\$459.00</u>
BUDGET YEAR 2005 TOTAL		\$238,049.53

OPERATING FUND	6-01	\$826,247.12
BUILDING & EQUIPMENT FUND	6-02	<u>\$5,227,868.86</u>
BUDGET YEAR 2006	\$	\$6,054,115.98

TOTAL ALL FUNDS

\$6,292,165.51

Closed Session

Mr. Lombardo made a motion to go into closed session at this time, 8:42 p.m. to discuss matters related to Contract #132 and a personnel matter based on Attorney/Client privilege. The motion was seconded by Mrs. Berger and unanimously approved.

The members of the public left the meeting at this time; only the Commissioners, Counsel, the Consulting Engineer and Administrative Staff members remained for the Closed Session.

Mr. Chin made a motion to return to the regular order of business at this time, 8:57 p.m. The motion was seconded by Mr. Lombardo and unanimously approved.

Regular Order of Business

The following Resolution #06-14, was offered by Mr. McHale, on motion of Mr. McHale, and seconded by Mr. Chin.

**SUPERSEDING CERTAIN ACTION TAKEN BY THE AUTHORITY BY MOTION
AT THE DECEMBER 15, 2005 MEETING GRANTING GENERAL SALARY
INCREASES TO CERTAIN PERSONNEL FOR 2006**

WHEREAS, the Rahway Valley Sewerage Authority (the "Authority") by way of motion at its December 15, 2005 Regular Meeting granted a 3.5 % increase to all salaried employees not covered under the Authority's collective bargaining agreement; and

WHEREAS, the motion inadvertently failed to reflect the intent of the Authority as expressed in the Executive Director's report which stated that all non-union personnel, with the exception of the Executive Director and two other salaried employees, would receive a 3.5% salary increase; and

WHEREAS, the Executive Director's report was incorporated into and became part of the minutes of said meeting; and

WHEREAS, the Authority now desires to supersede its previous motion and implement the intent of the Authority's decision in this matter as it was set forth in the Executive Director's report to grant a 3.5% increase to all salaried employees not covered under the Authority's collective bargaining agreement with the exception of the Executive Director and two salaried employees named herein.

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

1. The Resolution shall supersede the motion carried by the Board of Commissioners at the Authority's Regular Meeting of December 15, 2005.
2. The Authority hereby authorizes and directs the Executive Director to implement a salary increase of 3.5% for all salaried employees of the Authority not included in the Authority's collective bargaining agreement, with the exception of the Executive Director, Electrical Supervisor and Supervisor of Buildings & Grounds, to be added to the employees' existing base salary, to be effective retroactive to the first payroll of 2006, and payable over a 52 week period.
3. That the Executive Director's salary was considered separately and shall remain changed; and
4. That the salaries being paid to the individuals in other two positions have exceeded their respective salary ranges; and
5. That this Resolution shall be prospective in nature for the 2006 salary year in that it shall in no way diminish any previous salary payments made to the heretofore mentioned individuals other than that the additional salary payments shall not be included in their base pay.
6. That the Authority's Executive Director, Secretary/Treasurer and all of the Authority's other officials, employees and professionals are authorized and directed to execute those documents and perform those tasks that will affect the purposes of this Resolution.
7. This Resolution shall take effect immediately and/or as required by law.

Counsel stated that the foregoing resolution was prepared to remedy a situation which was the result of a communication failure. Mr. Tokarski stated that he hadn't seen this resolution prior to this meeting, and noted that it appeared to have been prepared by Mr. Hak. Mr. Tokarski asked what was meant by Item #3, was the board in fact giving him a raise. Mr. Hak stated that Item #3 should be corrected to state that the salary will remain "unchanged".

Mr. Chin made a motion to amend the resolution to reflect the correction. The motion to amend the resolution was seconded by Mrs. Berger and unanimously approved.

The following resolution as amended was unanimously approved.

**SUPERSEDING CERTAIN ACTION TAKEN BY THE AUTHORITY BY MOTION
AT THE DECEMBER 15, 2005 MEETING GRANTING GENERAL SALARY
INCREASES TO CERTAIN PERSONNEL FOR 2006**

WHEREAS, the Rahway Valley Sewerage Authority (the "Authority") by way of motion at its December 15, 2005 Regular Meeting granted a 3.5 % increase to all salaried

employees not covered under the Authority's collective bargaining agreement; and

WHEREAS, the motion inadvertently failed to reflect the intent of the Authority as expressed in the Executive Director's report which stated that all non-union personnel, with the exception of the Executive Director and two other salaried employees, would receive a 3.5% salary increase; and

WHEREAS, the Executive Director's report was incorporated into and became part of the minutes of said meeting; and

WHEREAS, the Authority now desires to supersede its previous motion and implement the intent of the Authority's decision in this matter as it was set forth in the Executive Director's report to grant a 3.5% increase to all salaried employees not covered under the Authority's collective bargaining agreement with the exception of the Executive Director and two salaried employees named herein.

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

1. The Resolution shall supersede the motion carried by the Board of Commissioners at the Authority's Regular Meeting of December 15, 2005.
2. The Authority hereby authorizes and directs the Executive Director to implement a salary increase of 3.5% for all salaried employees of the Authority not included in the Authority's collective bargaining agreement, with the exception of the Executive Director, Electrical Supervisor and Supervisor of Buildings & Grounds, to be added to the employees' existing base salary, to be effective retroactive to the first payroll of 2006, and payable over a 52 week period.
3. That the Executive Director's salary was considered separately and shall remain unchanged; and
4. That the salaries being paid to the individuals in other two positions have exceeded their respective salary ranges; and
5. That this Resolution shall be prospective in nature for the 2006 salary year in that it shall in no way diminish any previous salary payments made to the heretofore mentioned individuals other than that the additional salary payments shall not be included in their base pay.
6. That the Authority's Executive Director, Secretary/Treasurer and all of the Authority's other officials, employees and professionals are authorized and directed to execute those documents and perform those tasks that will affect the purposes of this Resolution.
7. This Resolution shall take effect immediately and/or as required by law.

Mr. Chin stated that the Chairman of each Committee should make it a point to convey to the members of management and staff what transpired during their respective committee meetings, in order to avoid these types of things from happening in the future.

Based on Counsel's recommendation, the following Resolution #06-17, was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mr. Lombardo and unanimously approved.

AUTHORIZING THE SETTLEMENT BETWEEN THE RAHWAY VALLEY SEWERAGE AUTHORITY AND THE OHIO CASUALTY INSURANCE COMPANY AS SURETY IN CONNECTION WITH THE PERFORMANCE OF CONTRACT #132 AND THE EXECUTION OF A RELEASE AS TO THE SURETY.

WHEREAS, the Rahway Valley Sewerage Authority (the "Authority") filed a claim with the Ohio Casualty Insurance Company (the "Surety") in connection with the contractor's performance on Authority Contract #132; and

WHEREAS, the Authority and the Surety have reached an amicable settlement of all of the outstanding issues between them and as a result the Surety requires that the Authority execute a release to conclude this matter.

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

1. The Authority accepts the amount of \$61,899.07 as final settlement and in full satisfaction of the Authority's claim against the Surety.
2. The Authority's Executive Director, Secretary/Treasurer and all of the Authority's other officials, employees and professionals are authorized and directed to execute those documents and perform those tasks that will affect the purposes of this Resolution including the execution of the Release as to the Surety.
3. Nothing in this Resolution shall be construed to create a waiver, estoppel or release of any claim that the Authority has or may have against the Contractor, Ultra Contractors & Electric, Inc.

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

Mrs. Papen asked who was appointed to the Search Committee which will be working on finding a replacement Executive Director.

Mr. Chin stated that he was appointed to Chair the Committee and that Mr. Luban, Mr. Landale, Mr. McHale and Mrs. Berger would also be on the Committee.

Adjournment

As there was no further business, on motion of Mrs. Berger, seconded by Mr. Ludington, the meeting adjourned at 9:10 p.m. The motion was unanimously approved.

James J. Murphy, Chairman

Robert J. Materna, Secretary-Treasurer

/jg
Attachments