

RAHWAY VALLEY SEWERAGE AUTHORITY

Summary of Minutes

Regular Meeting held June 21, 2007

- Special Election
Appointment of Vice Chairperson for remainder of term.
- Minutes
Approved the minutes of the Regular Meeting held May 17, 2007.
- Communications
None.
- Treasurers Reports
Treasurer's reports for the month of April 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 made by the Engineering, Finance and Nominating Committees.
- Unfinished Business
None.
- New Business
Approved the following: RVSA acting as intermediary between Professionals and J.H. Reid Construction on the Cogen explosion issues.
- New Business (Cont'd.)
Approved the following expenditures: CO #7 on Contract #105 to J.H. Reid in an amount of \$106,039.00; Amend PSA with PS&S on Contract #144-A/E in an amount of \$22,535.00; and CO #1 on Contract #156 to Northeast Remsco in a decreased amount of \$1,529,859.48.

- Bills and Claims		
<u>Fund Description</u>	<u>Fund#</u>	<u>Amount</u>
OPERATING FUND	7-01	\$1,124,429.06
BUILDING & EQUIP FUND	7-02	6,287,609.59
CONSTRUCTION FUND	7-04	<u>77,127.75</u>
TOTAL ALL FUNDS:		\$7,489,166.40

RAHWAY VALLEY SEWERAGE AUTHORITY

Regular Meeting Minutes – June 21, 2007

As the Chairman was not present at the meeting, the Vice Chairman called the meeting to order at 7:30 p.m.

The Vice 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 Vice 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 Vice Chairman stated we shall proceed with our regularly scheduled meeting.

The Vice Chairman requested that everyone stand to salute the Flag and observe a moment of silence for our servicemen and women overseas.

Roll Call

The following members were present:

Rosalie F. Berger	for the Township of Springfield
* Allen Chin	for the Town of Westfield
Charles Lombardo	for the Borough of Garwood
* Robert G. Luban	for the Township of Woodbridge
Thomas J. McHale	for the Borough of Kenilworth
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

* Arrived after roll call.

The following members were absent:

C. Clark Landale	for the Borough of Mountainside
Attilio S. Venturo	for the Borough of Roselle Park

The following were also present:

Michael J. Brinker, Jr., P.E.	Interim Executive Director
Robert J. Materna	Secretary-Treasurer
Joanne Grimes	Office Administrator
James Wancho, P.E.	Consulting Engineer
Brian Hak, Esq.	Counsel

The following were also present:

Wayne Baker	Westfield Leader
Robert Poltz	MIS Manager
Anthony Gencarelli	Manager of Regulatory Compliance
Janet Thevenin	IPP Coordinator
Jean Manigold	Laboratory Supervisor
Thomas Macaluso	Asst. Laboratory Supervisor
Dan Ward	Maintenance Manager
Robert Safchinsky	Maintenance Planner
Stephen Issardin	Process Operator I
Javier Baez	Process Operator I
Douglas Reno	Process Operator II
Thomas Watters	Utility Worker

Special Election of Officer

The Vice Chairman, asked the Secretary to conduct the election for Vice-Chairperson for the period of July 1, 2007 or thereafter when his (Vice Chairman McHale's) resignation will become effective, through February 21, 2008.

Mr. Materna asked the Nominating Committee for their recommendation for the Office of Vice-Chairman for the period ending February 21, 2008.

Mrs. Papen was nominated by Mrs. Berger, seconded by Mr. Lombardo.

Mr. Materna asked if there were any other nominations.

There being none, Mr. Materna asked for a motion that the nominations be closed.

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

Mr. Materna stated that he cast a ballot for the election of Mrs. Papen as Vice-Chairwoman.

The Vice Chairman stated "So ordered".

Mr. Materna declared Mrs. Papen as the duly elected Vice-Chairwoman for the period ending February 21, 2008."

The newly elected Vice-Chairwoman, Mrs. Papen, will assume the role of Vice-Chairwoman when Vice Chairman Thomas McHale's resignation from the Board becomes effective, which may be July 1, 2007 or thereafter that his replacement is appointed by the Borough of Kenilworth.

Approval of Minutes

Mrs. Papen made a motion, seconded by Mr. Murphy, to approve the minutes of the Regular

Meeting held April 19, 2007. The motion was unanimously approved with the exception of Mr. McHale who abstained.

Communications

None.

Report of Treasurer

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

Report of Interim Executive Director

Sewer Treatment Endorsements

The following is a list of Sewer Treatment Endorsements processed between 5/14/07 and 6/19/07:

Number	Date	Applicant	Municipality
968-07-RW	05/16/07	GMM Associates	Rahway
969-07-WB	05/23/07	Schoor DePalma	Woodbridge
970-07-WB	05/23/07	Knock on Wood	Woodbridge
971-07-RW	05-24-07	RJG Builders	Rahway
972-07-WB	05/31/07	Louis Cyktor	Woodbridge
973-07-WB	06/05/07	M. Alfieri Co.	Woodbridge
974-07-GW	06/06/07	Clark Place Associates	Garwood
975-06-CR	06/12/07	Adam & Gino Pantostico/K&J	Cranford
976-07-WB	06/15/07	Virginia Watts	Woodbridge

Monthly Reports

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

- PS&S Consulting Engineering*
- CCMS - Contract #105–Cogeneration Facility*
- CCMS - Contract #155–WWTP Upgrade*
- CCMS - Contract #156–Gravity Relief Sewer*
- Weiner Lesniak - Monthly
- Murray Montgomery & O'Donnell – Contract #0713–Monthly Update
- RVSA Superintendent – 2007 Summary Operations*
- RVSA Superintendent – Monthly Grievances
- RVSA IPP Coordinator – IPP Activities*
- Hatch Mott MacDonald – Contract #0721–Evaluation of User Charge System – Monthly Update

* Previously discussed at the Engineering Committee Meeting.

Contract #105X – Cogeneration / Sludge Drying Facility

A report on the structural damage due to Engines #1 and #3 misfiring in the Cogeneration Facility was received from PS&S. A copy of the report was distributed to the Commissioners for review. Copies have also been distributed to the contractor, J.H. Reid and CAT/Foley. Three Field Directives have been issued by CCMS. This matter was discussed at the Engineering Committee Meeting held June 14, 2007.

Contract #105X – Cogeneration / Sludge Drying Facility

PS&S submitted a request for more money related to structural repair design work. These costs will be reimbursed by CAT/Foley via J.H. Reid. A copy of their request has been distributed to the Commissioners. The proposal in the amount of \$6,000 was discussed at the Engineering Committee Meeting and a motion is on the agenda under New Business.

Contract #144 – Rehabilitation of the Trunk Sewer

The issue regarding the possibility of RVSA and/or the County of Union shutting down this contract until after Labor Day was discussed at the Engineering Committee Meeting of June 14, 2007. At that time it was decided that Commissioner Pelissier would reach out to the County to discuss their previously stated position of shutting down the job if RVSA did not. The matter was resolved and an email was sent to the Commissioners on Friday June 15, 2007, summarizing the results of Commissioner Pelissier's conversations with the County. The Contractor will be restricted from shutting down the Park road until July 9th (after the 4th of July fireworks celebration) and will be allowed to continue with the project, provided all submittals have been approved by either PS&S (the by-pass pumping plan) and the County (namely the traffic control plan).

A meeting with the County, the Contractor and the Engineer has been scheduled for June 20, 2007 at which time any remaining details and/or clarifications will be discussed and resolved.

Contract #144 – Trunk Sewer Rehabilitation

At the June 14, 2007 Engineering Committee Meeting, the Commissioners discussed issues related to work progress on this contract. Because of the delays, PS&S has submitted a request for additional monies for project oversight, which assumes a revised completion date of August 10th. PS&S is requesting an additional \$22,585.00, amending their contract total to \$97,335.00. A motion is on the agenda under New Business.

Contract #156 – Gravity Sewer

This contract has been completed. Since the contractor, Northeast Remsco Construction, utilized the alternate method of tunneling for the construction of this sewer, Change Order #1 which reflects a decreased amount of \$1,529,859.48 has been prepared. The amended contract amount

is \$9,446,802.52. A motion to approve this change order is on the agenda under New Business.

Contract #0721 - Evaluation of User Charge System

Mr. Brinker stated that Hatch Mott MacDonald issued a draft report on June 19th and met with several members of the staff to review their findings. HMM will go over the comments received from the staff, and also verify the house counts where there appears to be an inter-municipal agreement for adjustments. HMM is planning on making their presentation to the Board at the July meeting.

* Mr. Chin arrived at this time, 7:42 p.m.

Report of Consulting Engineer

The following report to the Authority's Engineering Committee summarizes our activities for the period of May 12, 2007 through June 15, 2007.

JCO Compliance

No current activity. Next quarterly report is due at the end of July, 2007.

Laboratory Renovation-Contract #145

The contract is currently in the Maintenance Period. PS&S is awaiting direction from the NJDEP regarding any required loan related follow-up.

Administrative Appeals Re: Air Quality and NJPDES/TWA Permits

PS&S continues to coordinate activities with General Counsel and Special Counsel, Hall & Associates. Current activity inter-related to Wastewater Management Plan issue (discussed elsewhere).

Trunk Sewer Rehabilitation - Contract #144

PS&S is currently reviewing submittals and responding to Contractor RFI's. Several key submittals, including the traffic control plan and bypass pumping plan lack approval. PS&S has met with the Contractor and the bypass pumping subcontractor on several occasions to help expedite approval. With respect to the traffic control plan, the plan was developed by the contractor's engineer based on discussions with Union County officials/representatives after a field meeting. Comments provided by Union County traffic engineer were substantial and forwarded to the Contractor.

Construction activity continues with the following activities taking place: fusing 18" and 24" polyethylene piping for bypass pumping operations, excavation of the first pipe insertion pit, installation of soil erosion and sediment control provisions.

The County has expressed their concern for interference by the RVSA Contractor, Marvec, on

the ongoing park activities. Specific reference was made to the July 4th fireworks, as well as pool operations. At a job progress meeting conducted on June 11th there was some indication that the County would take action to halt any work by Marvec. Discussion with the Board at the June 14th Engineering Committee Meeting resulted in some follow-up by Commissioner Pelissier with representatives of the County. The end result was a request that Marvec refrain from construction activities until after July 9th. The Interim Executive Director has set up a meeting with the County Park representatives to discuss what activities can be conducted prior to July 9th, coordination of staging and the approval of the traffic control plan.

Mr. Ventura asked when the contract was supposed to be done and what the delays will end up costing the Authority.

Mr. Wancho responded that the work was supposed to be finished earlier this year prior to the summer season, however, due to delays in getting the insurance documents approved, the timing has worked out that the work is occurring during the park's busy time period; Mr. Wancho added that when the bids were received, the Committee met to discuss the proposals at which time the Authority discussed consideration of the higher bidder, however, the next highest bid was approximately \$400, 000 higher and Counsel did not recommend rejecting the low bidder.

Mr. Wancho also noted that the County will install electric signs which will notify drivers of new traffic patterns.

Wastewater Management Planning

PS&S continues to provide assistance, as needed, related to the Wastewater Management Plan (WMP). The NJDEP recently sent a letter to PS&S notifying RVSA that the NJDEP intends to move forward with the adoption of the RVSA Wastewater Management Plan, with some "minor" modifications to the facilities table. The letter states, "Until RVSA has adopted the proposed WMP, the Department will no longer process any amendments or substantive revisions for the RVSA sewer service area..." PS&S completed review of the document and prepared comments for the Interim Executive Director's signature. These were formalized in a letter and sent to NJDEP by the Interim Executive Director after review by the Authority, General Counsel and the Special Environmental Counsel.

Mr. Wancho added that Richard Rudin of Weiner Lesniak wrote a letter to the NJDEP regarding the WMP, as the NJDEP has submitted letters to the Authority whereby they continue to ignore the Authority's requests.

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. Follow-up discussions have been held with the NJBPU to find out the mechanism for grant reimbursement and it has been indicated that the NJEDA is preparing an agreement that will define the procedures. The NJEDA has been working on the agreement language with the DAG's office and NJBPU has been indicating that the agreement would be finalized and issued shortly for the past few months. PS&S set up a

meeting with the BPU and the NJDEP (NJEIT) to discuss the reimbursement mechanics since all the current project financing comes from the NJEIT and this needs to be coordinated since the contract and corresponding balance are nearing completion. Based on these discussions there is a better understanding on how the program works and with the assistance of the NJDEP the reimbursement requests can be coordinated. The NJBPU representative had questions concerning the use of the digester gas and the blending system since the original grant documentation pre-dated the inclusion of the blender. PS&S has drafted and sent a response letter to NJBPU.

Cogeneration Facility-4th Engine Design/Permitting

PS&S and the Authority are proceeding with the preparation of an additional Title V Significant Modification application to modify certain permit monitoring and recordkeeping requirements and to address some potential variability in digester gas characteristics. In addition, PS&S will initiate work on the preparation of an emission test protocol for emission testing from the Sludge Dryer.

Digester Brick Replacement-Contract #157

PS&S has completed the design drawings and the specifications for the project. Project documents are now out to bid with a bid opening date of July 12, 2007.

General Consulting

PS&S was requested to provide assistance related to heating in the Sludge Dewatering Facility. PS&S has developed the heating requirements for the truck loading area and are looking into the option of tying into the plant hot water loop.

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:

Field inspection and drawing preparation related to removal of breeching insulation and inspection of breeching components.

Review of inspection and other related correspondence/documentation.

Structural evaluation and preparation of summary report to determine integrity of structure.

Electrical assistance/coordination related to provision of stand-by power, including meetings and coordination with PSE&G.

Consultation with the Authority to assess potential strategies for a Title V Operating Permit modification to allow for the construction and operation of two temporary, emergency diesel engine generators to provide back-up electrical power to RVSA. PS&S has initiated discussions

with NJDEP Bureau of Operating Permits (NJDEP-BOP) to assess these potential permitting alternatives.

User Charge and Flow Rights Reports

May reports covering April have been on hold pending resolution of flow meter data issues resulting from extreme wet weather flows at six metering sites in the month of April. PS&S is working with the Authority staff to determine course of action. June reports covering May will be submitted when all the monitoring data has been received.

Mr. Wancho went on to say that these reports have in fact been completed and distributed to the Commissioners this evening. He added that there was some erroneous data resulting from the extreme rain events in April– across the board – which was deleted and the reports were processed.

* Mr. Luban arrived at this time, 7:52 p.m.

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 May 15, 2007 through June 18, 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.

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-under "Miscellaneous").

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 have communicated with the two affected property owners and they are cooperating in conveying to the Authority the required easements. We are in the process of finalizing the documentation relative to the acquisition of

the remaining easement and this file will be closed-out in the near future.

Cogeneration Facility

Reviewed and discussed with Interim Executive Director propriety of potential change orders submitted by contractor and performed legal research relative to same. Also reviewed and discussed with Interim Executive Director CCMS' request for an extension of its contract.

Additionally, we have been in discussions with the Woodbridge Township Planning Department relative to the possibility of obtaining a temporary certificate of occupancy for the cogeneration side of the facility while the dryer side is still being completed. These discussions are ongoing.

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 as well as Caterpillar/Foley. Further details with respect to this matter may be discussed with the Board in executive session.

Miscellaneous

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 case has now been consolidated with the TWA appeal and, therefore, all remaining issues from both appeals will be considered together.

We have recently received from NJDEP its outstanding answers to interrogatories. We are in the process of reviewing same and providing a response to NJDEP, however, it should be noted that as a preliminary matter many of NJDEP's responses are non-compliant with previous court orders and another motion for sanctions may be necessary.

Finally, NJDEP has proposed modifications to the Authority's wastewater management plan (WMP). In general, NJDEP is proposing to remove any reference to peak flows through the Authority's facility, an issue which is related to the current NJPDES appeal. NJDEP's action with respect to the proposed modifications to the Authority's WMP may lead to the necessity to file another appeal.

Miscellaneous Contracts

Reviewed and revised the Request for Proposals relative to the Authority's insurance coverage (Contract #0719) that has recently been posted on the Authority's website.

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 numerous discussions with Authority staff and consultants relative to the contractor continuing the project through the summer months in the area of Rahway River Park. Discussions have been held with the appropriate County officials and the County has agreed to allow the work to continue uninterrupted. This office is in the process of preparing an access agreement to be entered into with the Union County Park Commission for purposes of allowing the Authority to access the park in order to continue the work.

Committee Reports

The Vice Chairman stated that the Chairman has advised that as soon as the Authority receives the notice from the Borough of Kenilworth appointing the new Commissioner (to replace Mr. McHale), he will advise the Commissioners of Committee changes.

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

Engineering Committee (Clark Landale, Chairman)

Mr. Chin stated that an Engineering Committee Meeting was held June 14, 2007 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 the Bills and Claims were reviewed. The Bills and Claims will be acted on later in the meeting.

Personnel Committee (Thomas McHale, Chairman)

No report.

Sludge Management Committee (Frank Mazzarella, Chairman)

No report. Mr. Mazzarella told Mr. McHale that he wished him well.

Insurance Review Committee (Allen Chin, Chairman)

No report.

Mr. Pelissier asked if the Authority had a Broker of Record. Mr. Materna responded that it does, and that it is Amalgamated General Agencies of Westfield. Mr. Materna noted that they were appointed two years ago and that the insurance is up for renewal on July 25th. Mr. Pelissier stated that the Broker of Record usually shops for insurance and receives a commission on the insurance that is placed. Mr. Pelissier asked if Mr. Materna knew what the percentage of their commission was. Mr. Materna stated that he did not, however, he would find out. Mr. Pelissier asked if they are an independent contractor, having no relationship with the insurance companies. Mr. Materna stated that he believed that to be the case. Mr. Pelissier asked that when the appointment for Broker of Record comes up for renewal, that the Authority shop for other brokers.

Legal Committee (Joan Papen, Chairwoman)

No report.

Public Relations Committee (Rosalie Berger, Chairwoman)

No report. Mrs. Berger stated that she wished Mr. McHale the very best and added that he will be missed on the Board.

Nominating Committee (Robert Luban, Chairman)

Mr. Luban stated that nominations were held earlier this evening for the position of Vice chairperson for the period 7/1/07 – 2/12/08.

Open the floor to the Public for questions or comments

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

Dan Ward, RVSA Maintenance Manager, asked to address the Board. Mr. Ward noted that he has been the Authority's Maintenance Manager for the last four years. He added that prior to coming to the Authority, he was the Maintenance Manager of the Joint Meeting of Essex & Union Counties (JMEUC). He noted that at the JMEUC, they ran a cogen facility on digester gas since 1984, whereby he had hands on training as a field mechanic for ten years, was promoted to Supervisor and then to Maintenance Manager; bringing his 20 years of experience with him to RVSA.

Mr. Ward noted that the term explosion is being used with regard to the cogen situation. He noted however, that the correct terminology is backfire. Mr. Ward went on to say that our plant has been operating digester gas engines since 1971. We have been training three operators since April 23, 2007 and have a clerk who has scanned in manuals which have been chronicled and indexed. He noted that the current situation with the cogen facility, has changed their direction and they are now studying the sludge dryer facility. Mr. Ward added that these gentlemen are working diligently, studying on their own time as well as attending classes, going on field trips, etc. He noted that they are very dedicated employees. Mr. Ward mentioned that one of the reasons he accepted the position at RVSA was because of the plant expansion and having the

ability to develop a maintenance program from the ground up. He went on to say that the Authority has many contacts that we can work with; the new operators have seen the synchronization set and do not foresee any problems in the future nor does he foresee any major maintenance costs. Mr. Ward said the Authority has the confidence, the skill, the contacts and the people to operate this facility. He stated that we've trained for operation with and without the SCADA system, what to do if something goes down, how to handle all situations, how to operate the facility in manual mode, etc. He added that it is his goal to keep these assets protected for as long as he can. Mr. Ward asked the board to consider his comments and thanked them for their time.

Anthony Gencarelli, Manager of Regulatory Compliance, asked that if he could address the Board. Mr. Gencarelli stated that there was information presented to the Board by Commissioner Pelissier which was factually incorrect and that he would like to correct, in the hope that a Commissioner present at the meeting, would consider making a motion to postpone the issuance of the RFQ until the Authority staff has had 365 days to run the facility and has a base line for comparison. Mr. Gencarelli stated that first, the statement that "we don't know what it will cost to run the facility" is wrong. We, the Authority personnel, have a very good idea, Dan Ward and his staff have worked on putting together some numbers on what they feel it will cost. Second, "we don't know if we have capable people to operate the facility". Wrong, we do, we have very capable people who are presently being trained to operate the facility. Mr. Gencarelli said that right here you have three of the best, top of the top, of the RVSA employees; and the fear is that the Authority will lose these employees to another facility if the Authority privatizes. The statement that the cost of procurement can be reimbursed - this is the biggest fallacy. He added that yes it can be reimbursed, but lets face it, the private contractor is out to make a profit - It's a concession fee, that fee is coming back to the Authority and to the ratepayer.

The statement that "we don't have the professionals/contacts to turn to". Yes we do. We have sister facilities that we can turn to and we can and will do a better job than an outside firm.

Mr. Gencarelli noted that he worked for US Water for 6 months, who is now a subsidiary of United Water. I know that a majority of their staff are bankers and people from Wall Street. He added that when he was there, the staff was told not to be concerned with going to a client with a tight number on a proposal because the plan is to just get your foot in the door, then you negotiate. Another item Mr. Gencarelli found to be laughable was "it's a Fixed Cost contract". Mr. Gencarelli stated that we have fixed cost contracts all over the place that don't remain fixed, and why, because of unforeseen conditions. There are extras, there are modifications. There will be a boat load of extras on a private contract.

Mr. Gencarelli added that the Commissioners are acting in a manner which is contradictory to the wishes that were expressed by the municipalities at the mayors' forum held in December.

Mr. Ward again addressed the Board and noted that when this topic (privatization) comes up, it is very disruptive to the staff. He noted that we end up with groups of guys who will be gossiping about what is going to happen. It's very disruptive and is not good for anyone involved.

Mr. Chin stated that he wished to clarify that we are only seeking RFQ's, not RFP's. Mr. McHale said that when he was at the meeting with the Mayors he understood the Mayors to say that they were not interested in privatizing.

Mr. McHale added that he comes from a small town in Pennsylvania which is considered to be a distressed area. Since they were in need of money, they decided to privatize their sewer system. The town received \$6.5 million in the deal, however, the contractor subsequently sued the town for \$6.5 million and now the town has nothing and the private contractor is still running the system.

Mrs. Papen added that she is of the same opinion as Mr. McHale, in that after the mayor's forum the mayors stated that they wanted the Authority to continue running the facility, to get the new plant up and running for at least a year before this was considered again.

Mrs. Papen continued on and stated that she was curious about the fact that most of the mayors did not want the Authority to consider privatization, she wanted to know how many of the Commissioners went back to their mayors and told them how they voted last month, that they voted against their mayors' wishes.

Mr. Luban stated that we are only asking for qualifications. We are only looking to see if any firms are interested in the Authority.

Mr. Pelissier stated that as Commissioners we have a fiduciary responsibility to the taxpayers. He added that when the Commissioners last met, it was the Interim Executive Director who told us that the manuals were not completed and without the manuals, the training could not take place. He continued on to say that the Interim Executive Director also told us that he did not know what the cost will be to run this facility. Mr. Pelissier noted that the Commissioners have the responsibility to explore what it will be, if we privatize the cogeneration facility. Mr. Pelissier said that originally Keyspan was supposed to provide a design-build-operate facility, however, backed out. Mr. Lombardo said he also thought it was supposed to be a turnkey operation. Mr. Brinker noted that the Authority's former attorney Brownstein, Booth and Barry, ruled that KeySpan could do a design-build but not operate; so the Authority decided to proceed with separate design, build and operate contracts.

Mr. Brinker asked if he could respond to Mr. Pelissier's statements. Mr. Brinker noted that the comments, that we do not have a complete set of manuals, is a correct statement. He added that the people being trained are being trained with the information we have procured. He noted that we have based our budget on construction estimates, however, we do not have a baseline on the cost to operate. Costs were based on construction deadlines, which have not been met and this obviously throws the numbers off. Mr. Brinker went on to say that that he takes issue in being accused of not being able to run the facility efficiently. Mr. Pelissier stated he finds that comment to be out of order and requested that we go into closed session to discuss it.

Mr. McHale stated that this should end the discussion and asked if anyone wished to make a motion. No one responded and he moved on to Unfinished Business.

Unfinished Business

None.

New Business

The following Resolution #07-24 was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mr. Murphy and unanimously approved.

RESOLUTION #07-24

WHEREAS, the Rahway Valley Sewerage Authority (Authority) previously entered into Professional Service Contracts with Paulus, Sokolowski & Sartor (PS&S), 67A Mountain Blvd. Ext., Warren, NJ 07059; Consolidated Construction Management Services (CCMS), 9 Professional Circle, Suite 204, Colts Neck, NJ 07722 for Services specifically related to, Contract #105 Cogeneration/Sludge Drying Facility (Facility); and Weiner Lesniak, LLP (WL), 629 Parsippany Road, Parsippany, NJ 07054-0438 for all Legal Services which includes Contract #105; and

WHEREAS, the Authority also executed a contract with J.H. Reid Construction of South Plainfield, NJ who is the General Contractor for Contract #105 Cogeneration/Sludge Drying Facility; and

WHEREAS, J.H. Reid Construction subcontracted with Caterpillar/Foley to supply four (4) engine generator sets to be operated within said facility; and

WHEREAS, on two separate occasions during the testing of these engine generator sets, explosions occurred causing damage at the Facility; and

WHEREAS, due to the explosions, additional professional services have been and will continue to be required by PS&S, CCMS & WL resulting in addenda to the scope of services of their respective Professional Service Contracts; and

WHEREAS, J.H. Reid Construction will pay the Authority for the additional costs incurred as a result of these explosions.

NOW, THEREFORE, BE IT RESOLVED, that the Rahway Valley Sewerage Authority hereby agrees to act as the intermediary between the firms of PS&S, CCMS, WL and that of J.H. Reid Construction on Contract #105 for payment of the professional services related to the CAT/Foley engine explosions; and

BE IT FURTHER RESOLVED that the amounts of the previously executed Professional Service Agreements shall remain unchanged as all costs will be paid to the Authority by J.H. Reid Construction and the Authority will then pay the aforementioned professionals for their services.

Mr. Chin made a motion, seconded by Mr. Murphy, approving Change Order #7 on Contract

#105 to J.H. Reid of South Plainfield, NJ, in the amount of \$106,039.00, total amended contract amount of \$21,911,672.83, for various items as outlined in CCMS's monthly report #42 dated May 2007, as discussed at the Engineering Committee Meeting. The motion was unanimously approved with the exception of Mr. Pelissier who voted against.

The following Resolution #07-25 was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mr. Murphy and unanimously approved.

RESOLUTION #07-25

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolution #03-50 and related Agreement, 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 \$22,585.00; 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 \$74,750.00 be and are hereby amended to provide for the increased contract amount of \$22,585.00 resulting in a total contract not to exceed \$97,335.00; 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. Chin made a motion, seconded by Mr. Mazzarella, approving Change Order #1 on Contract #156 to Northeast Remsco Construction, Inc. of Farmingdale, NJ in a decreased amount of

\$1,529,859.48, total amended contract amount of \$9,446,820.52, which is the final close out amount for this contract, as discussed at the Engineering Committee Meeting. The motion was unanimously approved.

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	LINE/ACCT#	AMOUNT
2218	06/21/07	ARGENT ASSOCIATES LLC	140.7/8	1,260.00
2219	06/21/07	CCMS - VOID	140.2/7	509,421.07
2220	06/21/07	EE CRUZ COMPANY INC.	140.7	5,110,914.12
2221	06/21/07	J.H. REID, GENERAL CONTRACTOR	140.2	393,975.78
2222	06/21/07	NORTHEAST REMSCO CONSTRUCTION	140.8	269,696.00
2223	06/21/07	PAULUS, SOKOLOWSKI & SARTOR	140.2/7	4,442.62
2224	06/21/07	CONSOLIDATED CONSTRUCTION MGT.	140.2/7	507,321.07

Total Building & Equipment Fund Checks: 7

Total Void Checks: 1

Total Amount Void: \$509,421.07

Total Amount Paid: \$6,289,709.59

CONSTRUCTION FUND

CHECK #	DATE	VENDOR	LINE/ACCT#	AMOUNT
1159	06/21/07	MARVEC CONSTRUCTION CORP.	140.4	69,335.00
1160	06/21/07	PAULUS, SOKOLOWSKI & SARTOR	140.4	7,792.75

Total Construction Fund Checks: 2

Total Void Checks: 0

Total Amount Void: \$0.00

Total Amount Paid: \$77,127.75

OPERATING FUND

CHECK #	DATE	VENDOR	LINE/ACCT#	AMOUNT
33445	05/22/07	A TOUCH OF ITALY	49	233.00
33446	05/22/07	CANON FINANCIAL SERVICES, INC.	16	1,299.72
33447	05/22/07	ELIZABETHTOWN GAS	22	9,116.26
33448	05/22/07	FEDEX	48	129.91
33449	05/22/07	UNITED PARCEL SERVICE	48	56.54
33450	05/22/07	VERIZON	30	363.74
33451	05/22/07	VERIZON WIRELESS	11	385.79
33452	05/22/07	WOODRUFF ENERGY	22	28,391.48
33453	05/24/07	RAHWAY VALLEY SEWERAGE AUTH.	01/02	145,869.11
33454	05/31/07	RAHWAY VALLEY SEWERAGE AUTH.	01/02	84,789.68
33455	06/08/07	DELTA DENTAL PLAN OF NJ	03	5,872.77
33456	06/08/07	ELIZABETHTOWN GAS	22	2,809.23
33457	06/08/07	HOME DEPOT CREDIT SERVICES	32	115.63
33458	06/08/07	STANDARD INSURANCE COMPANY	03	2,401.40
33459	06/08/07	UNITED PARCEL SERVICE	48	27.05

33460	06/08/07	VISION SERVICE PLAN	03	1,213.94
33461	06/08/07	WOODRUFF ENERGY	22	10,205.29
33462	06/14/07	MICHELINO'S	49	117.70
33463	06/21/07	ADP, INC.	03	165.32
33464	06/21/07	ADP, INC.	16	2,067.67
33465	06/21/07	ADVANCED SPECIALTY SALES, INC.	32	1,951.02
33466	06/21/07	ALL AMERICAN SEWER SERVICE INC.	32	9,419.00
33467	06/21/07	AMERICAN INDUSTRIAL SUPPLY CORP.	38	271.62
33468	06/21/07	AMERICAN WEAR UNIFORMS	32	1,138.25
33469	06/21/07	APPLIED ANALYTICS, INC.	32	12,630.00
33470	06/21/07	ARCH WIRELESS	11	11.19
33471	06/21/07	ASSOCIATED AUTO PARTS	35	151.44
33472	06/21/07	BALCO INDUSTRIES INC.	31	478.00
33473	06/21/07	ROSALIE F. BERGER	49	483.24
33474	06/21/07	BOWCO LABORATORIES, INC.	32	63.00
33475	06/21/07	CAMPBELL FOUNDRY COMPANY	42	240.00
33476	06/21/07	HECTOR L. CARTAGENA	03	280.50
33477	06/21/07	CDW GOVERNMENT, INC.	27	193.14
33478	06/21/07	ALLEN CHIN	49	364.44
33479	06/21/07	CITY OF RAHWAY, UNITED WATER RESOURCES	33	9,391.99
33480	06/21/07	COGENT COMMUNICATIONS, INC.	27	674.00
33481	06/21/07	CORRECT TEMP, INC.	32	2,037.39
33482	06/21/07	CSL SERVICES, INC.	30	14,606.88
33483	06/21/07	D2L ASSOCIATES, INC.	42	2,240.00
33484	06/21/07	DAVID WEBER OIL COMPANY	32	983.40
33485	06/21/07	DELL MARKETING L.P.	43	552.63
33486	06/21/07	LOUIS DUPLESSIS	03	531.00
33487	06/21/07	DYNAFLOW ENGINEERING	32	1,645.50
33488	06/21/07	ELIZABETHTOWN GAS	22	7,314.37
33489	06/21/07	EMSL ANALYTICAL INC.	40	35.00
33490	06/21/07	ENVIRONMENTAL COMPLIANCE	41	1,144.25
33491	06/21/07	ENVIRONMENTAL RESOURCE ASSOC.	40	379.20
33492	06/21/07	ELIZABETHTOWN GAS	22	121,107.19
33493	06/21/07	EVEREADY EXPRESS	48	40.79
33494	06/21/07	FACTORY DIRECT PIPELINE	32	759.51
33495	06/21/07	FISHER SCIENTIFIC	40	828.96
33496	06/21/07	FLEXLINE	32	116.97
33497	06/21/07	GANNETT NJ NEWSPAPERS	12	851.56
33498	06/21/07	ANTHONY GENCARELLI	15	30.01
33499	06/21/07	W.W. GRAINGER, INC.	27/38	494.43
33500	06/21/07	GRAPHIC PRODUCTS	32	378.71
33501	06/21/07	GARY W. GRAY TRUCKING, INC.	25/26	101,172.89
33502	06/21/07	GREAT LAKES ENVIRONMENTAL	41	1,010.24
33503	06/21/07	HACH COMPANY	40	1,984.30
33504	06/21/07	HALL & ASSOCIATES	08	902.80
33505	06/21/07	HATCH MOTT MACDONALD	09	39,122.17
33506	06/21/07	HAYES PUMP INC.	38	14.82
33507	06/21/07	STEPHEN ISSARDIN	31	150.00
33508	06/21/07	JERSEY ELEVATOR COMPANY INC.	32	174.00
33509	06/21/07	JW GOODLIFFE & SON	32	160.44
33510	06/21/07	LABCHEM INC.	40	574.47
33511	06/21/07	C. CLARK LANDALE	49	531.06
33512	06/21/07	CHARLES P. LOMBARDO	49	434.85
33513	06/21/07	ROBERT G. LUBAN	49	437.85
33514	06/21/07	MAFFEY'S SECURITY GROUP	32	523.00
33515	06/21/07	FRANK G. MAZZARELLA	49	434.85
33516	06/21/07	THOMAS MCHALE	49	428.85

33517	06/21/07	MCINTYRE'S LOCK & LAWNMOWER SHOP	32	277.75
33518	06/21/07	MCMASTER-CARR SUPPLY CO.	32	628.48
33519	06/21/07	MOTION INDUSTRIES, INC.	38	375.79
33520	06/21/07	ROBERT MRASZ	03	280.50
33521	06/21/07	MULTI-CARE HEALTH CENTER	50	750.00
33522	06/21/07	JAMES J. MURPHY	49	437.85
33523	06/21/07	MURRAY, MONTGOMERY & O'DONNELL	09	20,000.00
33524	06/21/07	NJ MANUFACTURERS INSURANCE CO.	17	14,555.00
33525	06/21/07	TREASURER - STATE OF NJ	37	40.00
33526	06/21/07	O'JOHNNIES, INC.	13	518.91
33527	06/21/07	ONE CALL SYSTEMS, INC.	32	39.16
33528	06/21/07	OUTSTANDING SERVICE CO., INC.	32	354.90
33529	06/21/07	JOAN PAPEN	49	439.86
33530	06/21/07	PAULUS, SOKOLOWSKI & SARTOR	06	4,575.00
33531	06/21/07	PETER H. PELISSIER	49	300.00
33532	06/21/07	EDMUND PETROSKY	03	280.50
33533	06/21/07	PITNEY BOWES, INC.	13	168.27
33534	06/21/07	POLAND SPRING WATER COMPANY	46	263.17
33535	06/21/07	POLYDYNE INC.	23	18,400.00
33536	06/21/07	PSE&G COMPANY	19/42	23,192.54
33537	06/21/07	PUMPING SERVICES, INC.	38	314.20
33538	06/21/07	PASSAIC VALLEY SEWERAGE COMMISSIONERS	41	10,172.41
33539	06/21/07	QC LABORATORIES	41	4,601.00
33540	06/21/07	RAHWAY VALLEY SEWERAGE AUTHORITY	01/02	158,258.44
33541	06/21/07	RAHWAY ELECTRIC SUPPLY COMPANY	32	751.35
33542	06/21/07	RELIANT ENERGY SOLUTIONS	19	70,852.45
33543	06/21/07	RICHARD LUCAS CHEVROLET	35	464.36
33544	06/21/07	PETTY CASH	14	169.52
33545	06/21/07	SAFETY-KLEEN CORP.	32	213.72
33546	06/21/07	COLONEL SATTERWHITE	03	280.50
33547	06/21/07	DARREN SCHIPPE	31	34.99
33548	06/21/07	SEMCOR EQUIPMENT & MFG. CORP.	32	204.00
33549	6/21/07	SIMPLEX GRINNELL LP	31	452.00
33550	06/21/07	STAR LEDGER	12	28.50
33551	06/21/07	STATE OF NEW JERSEY	04	80.11
33552	06/21/07	GEORGE SZOTAK	03	561.00
33553	06/21/07	TURTLE & HUGHES INC.	32	298.10
33554	06/21/07	UNITED PARCEL SERVICE	48	59.47
33555	06/21/07	UNIVAR USA INC.	29	33,613.87
33556	06/21/07	SIEMENS WATER TECH., UNITED FILTER	40	886.00
33557	06/21/07	USA BLUEBOOK	38/43	3,030.27
33558	06/21/07	ATTILIO S. VENTURO	49	638.75
33559	06/21/07	VERIZON	11/30	1,927.39
33560	06/21/07	THOMAS WATTERS	31	50.00
33561	06/21/07	WEINER LESNIAK - VOID	07/08	97,877.73
33562	06/21/07	921-WELCO-CGI GAS TECH LLC	32/40	320.06
33563	06/21/07	WOODRUFF ENERGY	22	26,587.47
33564	06/21/07	WEINER LESNIAK	07/08	86,195.05

Total Operating Fund Checks: 120

Total Void Checks: 1

Total Amount Void: \$97,877.73

Total Amount Paid: \$1,124,429.06

Total All Checks: 129
 Total Void Checks: 2
 Total Amount Void: \$607,298.80
 Total Amount Paid: \$7,489,166.40

OPERATING FUND	7-01	\$1,124,429.06
BUILDING & EQUIP FUND	7-02	6,287,609.59
CONSTRUCTION FUND	7-04	77,127.75
TOTAL ALL FUNDS:		<u>\$7,489,166.40</u>

Closed Session

Mr. Pelissier made a motion, seconded by Mrs. Papen, to close the meeting at this time, 8:42 p.m. to discuss personnel matters. The motion was unanimously approved.

Mr. Chin made a motion to return to the regular order of business at 9:20 p.m. The motion was seconded by Mr. Lombardo and unanimously approved.

Adjournment

As there was no further business, on motion of Mr. Chin, seconded by Mr. Lombardo, the meeting adjourned at 9:22 p.m. The motion was unanimously approved.

Robert J. Materna, Secretary-Treasurer

JG/jg

Attachments

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