

RAHWAY VALLEY SEWERAGE AUTHORITY

Summary of Minutes

Regular Meeting held July 19, 2007

- Minutes
Approved the minutes of the Regular Meeting held June 21, 2007.
- Communications
Letter received from the Borough of Kenilworth.
- Treasurers Reports
Treasurer's reports for the month of May 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, Finance, Personnel, Public Relations and Insurance Review Committees.
- Unfinished Business
None.
- New Business
Approved the following: Security Purchases; Reject and rebid Contract #157; Oppose Assembly Bill A-4393; TWA for the City of Rahway; and Payments to Professionals related to Contract #105.
- New Business (Cont'd.)
Approved the following expenditures: Amend PSA with Hatch Mott MacDonald on Contract #0721 in an amount of \$29,600.00; Award Contract #0726 to Woodruff Energy in an amount of \$10.99/dth, Option #2; Award Property Insurance Coverage to Liberty Mutual in an amount of \$129,000.00; and Award Liability Insurance Coverage to AGA in an amount of \$132,000.00.

- Bills and Claims		
<u>Fund Description</u>	<u>Fund#</u>	<u>Amount</u>
OPERATING FUND	7-01	\$ 688,353.54
BUILDING & EQUIPMENT FUND	7-02	<u>3,057,556.64</u>
TOTAL ALL FUNDS		\$3,745,910.18

RAHWAY VALLEY SEWERAGE AUTHORITY

Regular Meeting Minutes – July 19, 2007

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

In accordance with the requirements of the Open Public Meeting Act, State of New Jersey, adequate notice of this meeting has been provided by the inclusion of the date, time and place in a Notice which was forwarded to the Star Ledger, the Home News Tribune and was filed with the Clerk of each of the eleven member municipalities on February 6, 2007.

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

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

The Chairman requested that everyone stand to salute the Flag and observe a moment of silence 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
Gregg F. David	for the Borough of Kenilworth
Charles Lombardo	for the Borough of Garwood
Robert G. Luban	for the Township of Woodbridge
Frank G. Mazzarella	for the Township of Clark
Joan Papen	for the Township of Scotch Plains
Attilio S. Venturo	for the Borough of Roselle Park

The following members were absent:

C. Clark Landale	for the Borough of Mountainside
James J. Murphy	for the Township of Cranford
Peter H. Pelissier	for the City of Rahway

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:

Manny Parada	CCMS, Construction Manager
Al Biel	Manager of Operations
Anthony Gencarelli	Manager of Regulatory Compliance
Janet Thevenin	IPP Coordinator
Jean Manigold	Laboratory Supervisor
Thomas Macaluso	Asst. Laboratory Supervisor
Dan Ward	Maintenance Manager
Thomas Watters	Utility Worker

Approval of Minutes

Mr. Luban made a motion, seconded by Mrs. Berger, to approve the minutes of the Regular Meeting held June 21, 2007. The motion was unanimously approved with the exception of Mr. David and Mr. Venturo who abstained.

Communications

The following letter addressed to Joanne Grimes, Office Administrator, was received June 22, 2007 from Hedy Lipke, Borough Clerk for the Borough of Kenilworth:

“Enclosed please find a certified copy of the Resolution appointing Gregg David as Kenilworth’s representative on the Rahway Valley Sewerage Authority.

A Certified copy will also be sent to the NJ Secretary of State with the \$5 filing fee.

Resolution #10

BE IT HEREBY RESOLVED that the Borough Council of the Borough of Kenilworth appoints Gregg F. David as Kenilworth’s representative on the Rahway Valley Sewerage Authority for an unexpired term from July 1, 2007 to February 1, 2008.

BE IT FURTHER RESOLVED that a certified copy of this Resolution be forwarded to the Secretary of State of New Jersey with the appropriate filing fee.”

Report of Treasurer

The Treasurer’s Reports for the month of May 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 6/19/07 and 7/17/07:

Number	Date	Applicant	Municipality
977-07-WB	06/20/07	Rozina Sohail	Woodbridge
978-07-SF	06/21/07	R.P. Richards	Springfield
979-07-RW	06/28/07	Robert J. Cotte	Rahway
980-07-WB	07/02/07	Suburban Real Estate Devel.	Woodbridge
981-07-WB	07/11/07	Creative Solutions Construction	Woodbridge
982-07-WB	07/11/07	Percy & Anna Erachshaw	Woodbridge
983-07-WB	07/17/07	Gale Construction Co. (Sabina Certa)	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
- RVSA IPP Coordinator – IPP Activities
- Hatch Mott MacDonald – Contract #0721–Eval. of User Charge System – Monthly Update

Contract #0721 - Evaluation of User Charge System

Hatch Mott MacDonald submitted a letter dated July 10, 2007 in which they are requesting additional monies for this contract. HMM outlined the need for the additional monies based on the out of scope services regarding inter-municipal adjustments and the alternative user charge system evaluation based on water consumption data. The additional cost is \$29,600.00 total amended contract amount of \$107,600.00. A copy of their letter was distributed to the Commissioners. A resolution is on the agenda under New Business.

Contract #0726 - Firm Non-Recallable Comm. Natural Gas

A copy of the Notice to Bidders was sent to 20 companies, posted on the Authority’s Web Site and advertised in the Star Ledger. The Bid package was purchased by one vendor and the following bid was received on Tuesday, July 17, 2007:

Company	Option	Up-Charge	Pert DTH	Per Therm
Woodruff Energy Bridgeton, NJ	Option #1	\$.311/th	\$12.1338/dth	\$1.21338/th
	Option #2	\$.223/th	\$10.99/dth	\$1.099/th
	Option #3	\$.240/th	\$11.5346/dth	\$1.15346/th
	Option #4	\$.24/th	\$11.20/dth	\$1.12/th

The bid was sent to Counsel for review and reviewed by me. If Counsel finds the bid to be in order, I recommend that we award the contract to Woodruff Energy for Option #2, at a cost of \$1.099/th. Please note that Woodruff Energy is our present natural gas supplier and we have not experienced any problems with their supply. The price for which an award was made at the June

15, 2006 meeting was \$1.269/therm. A motion to award Contract #0726 is on the agenda under New Business.

Contract #0719 – Insurance Coverage

A Request For Proposals was posted on the Authority's website and sent to the current insurance carriers. Proposals for the three areas of insurance (property, liability and workers compensation) were received on July 12, 2007. The proposals were sent to Counsel for review and recommendation. Counsel advised that the proposals submitted by Liberty Mutual for property and AGA for liability were in order, however the proposal submitted by N.J. Manufacturers was found to be non-conforming and therefore unacceptable.

Action on the two that were found to be in order, are on the agenda this evening. As the Authority's insurance expires on July 25, 2007, there was just sufficient time to repost the RFP for Workers Compensation Insurance on the website for acceptance of proposals on July 24, 2007. A copy of the RFP was also sent to five agencies who had previously inquired about the Authority's insurance (NJM, AGA, Liberty Mutual, BGIA and Wachovia).

A special meeting will need to be held on July 24, 2007, possibly by conference call, in order to take action on workers compensation insurance.

Contract #157 - Brick Rehab on Digesters #1, #2 and #3

A copy of the Notice to Bidders was posted on the Authority's Web Site and advertised in the Star Ledger. The Bid package was purchased by seven vendors and the following bids were received on Thursday, July 12, 2007:

Company	Alt. A	Alt. B
FAHS Restoration	\$607,072	No Bid
Hilt Construction	\$720,763	\$635,426
Avalan Contracting	\$668,000	\$678,000
D&K Construction	\$700,000	\$800,000
EE Cruz	\$1,493,000	\$1,453,000
	Engineers Estimate	\$539,480

The Consulting Engineer in concurrence with Counsel have recommended that all bids be rejected. A copy of the bid report has been distributed to the Commissioners for review.

Opposition of Assembly Bill A-4393

The Association of Environmental Authorities submitted information to its members and asked that the members write to their legislators requesting that the bill, which enacts more restrictions on public entites regarding the Local Public Contracts Law, be defeated. A copy of the AEA's emails were forwarded to the Commissioners. The AEA provided a draft resolution, from which the Authority prepared a resolution for the action this evening. If the Commissioners concur with the AEA's request, action can be taken on the resolution.

TWA – Rahway

A Treatment Works Application was submitted by the City of Rahway for Station Place at Rahway, to be located on Campbell Street in the City of Rahway. The application is for the construction of a 30 lf of a 6" lateral to service a 4 story building with 80-2 bedroom residential units, with an anticipated discharge of 18,000 gpd. I reviewed the application and the performance of the plant for the last 90 days, and I recommend approval.

Report of Consulting Engineer

The following report to the Authority's Engineering Committee summarizes our activities for the period of June 16, 2007 through July 13, 2007.

JCO Compliance

PS&S is working on the second quarter report which 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 providing construction observation of the contractor's activities. These activities include the installation of the five bypass pumps, valves, manifold, suction, and discharge piping at Meter Chamber #11, adjacent to Bedford Street. The Contractor still lacks an approved traffic control plan and a road opening permit. Union County will not permit the closure of Parkway Drive until these two issues are resolved. Closing Parkway Drive is necessary for the installation of the bypass piping and the excavation of the liner insertion pit. PS&S has conducted several meetings with the County and the Contractor in order to expedite the traffic control plan and has scheduled a meeting this week to finalize the outstanding details. The Contractor has failed to meet the project completion date (June 11, 2007) and has requested an extension of time. PS&S is in the process of reviewing this request.

The Chairman asked why we continue to pay people for their failures. Mr. Wancho responded that the Public Contracts Law makes it difficult to throw out the low bidder and therefore you have to take what you get. He added in private industry, you interview contractors and pick who you think will do it the best for the best price.

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 Directors 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.

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 drafted and sent a response letter to NJBPU. PS&S is currently responding to additional questions.

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 has initiated work on the preparation of an emission test protocol for emission testing from the Sludge Dryer.

Digester Brick Replacement - Contract #157

Project documents were out to bid during June/July and the bid opening was held on July 12, 2007. A total of 5 Bidders submitted bids, 4 of which submitted for both bid alternates for a total of 9 bids. The range in bids was from \$607,000 to \$1,493,000. The apparent low bidder is FAHS Restoration Inc. The bid documents are under review by PS&S.

Mr. Wancho noted that since his report was completed, they have formulated a recommendation to reject the bids. He wanted to know if the Commissioners wanted to have the contract rebid as there will be additional preparation cost.

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 review of inspection activities.
- Preparation of drawing files for use by CAT consultant, ITG, for design of breeching relief.
- Review of inspection and other related correspondence/documentation.
- 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 prepared and submitted a Title V modification document to cover installation and operation of the temporary generators.

Mr. Wancho noted that due to lobbying efforts by the Interim Director, the NJDEP has advised that the preconstruction approval should be provided to the Authority on July 20, 2007.

User Charge and Flow Rights Reports

May reports covering April and June reports covering May were submitted at the June Board meeting. July reports covering June will be prepared and submitted when all the monitoring data has been received.

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 June 19, 2007 through July 16, 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- item #1 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, Contract #105

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.

Finally, we have been working with the Authority's consultant, Gabel Associates, relative to developing a Request for Proposals for the sale of renewable energy credits that will be generated by the Authority once the cogeneration facility is online.

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 and have provided a response to NJDEP indicating that many of its responses are non-compliant with previous court orders. As a result, another motion for sanctions against NJDEP is currently being prepared by this office.

Miscellaneous Contracts

Reviewed responses to the Request for Proposals relative to the Authority's insurance coverage (Contract #0719) that were recently received by the Authority and have provided a recommendation with respect to same to the Interim Executive Director.

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 working with the County Counsel in 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.

Report of Construction Manager

Contract #105 – Cogeneration/Sludge Drying Facility

Work Completed This Period

1. The balance of sitework, restoration, plantings, cleanup and building construction will be done shortly.
2. Fire Protection: The new service from Middlesex Water Company has been initiated and we await the tap from MWC. Middlesex Water Company has indicated that the tap will be installed in "late June or early July".
3. Process Equipment: The engine start up and testing was initiated and resulted in an explosive failure of #1 and #3 Engines. The sludge dryer testing by the manufacturer was started in April and continued through June, nearing completion of his initial 8 week check out period. The dryer will require an additional eight week check out period starting in early July with product introduced.

4. Process Mechanical Piping is essentially complete at this time.
5. Electrical work is also nearly complete as the switch gear, MCC's and intertie are all powered.

Summary of Major Project Issues

There are a number of significant issues which will impact the present schedule and the project cost. These are summarized below:

1. The length of repairs of the engines and the breeching is not yet known as the full extent of the damage is yet to be determined. Preliminary estimates place the required repair work at a 6 to 8 month interval. Work has progressed on the sludge dryer portion of the work.

Schedule

The schedule has changed considerably due to the explosions on Engines #1 and #3. A new written schedule was recently submitted, however, the schedule does not provide for any of the engine repair work. The schedule submitted only accounts for the sludge dryer portion of the work. After the exact amount of repair work on the engine breeching is known, a better schedule can be formulated.

Other Issues for Consideration

The Contractor submitted a letter received on June 19, 2007 requesting a time extension from November 15, 2006 to a substantial completion date of July 9, 2007. The primary reason stated for his request is that "Extra work throughout that time period has caused an unavoidable increase of time for the completion of the Contract". The Contractor has requested a 237 days extension to cover the work unrelated to the engine failures. In his letter he states that the events of April 30 and May 10 have placed an indefinite hold on the Contract completion.

The Board should consider this request as well as the previous request for consideration of additional overhead expenses made by the Contractor values at \$20,000 per month and the request for consideration of an extended builder's risk insurance policy with an approximate value of \$45,000. An extension of the Contractor will limit the ability to recover liquidated damages as well as real damages incurred by the Authority.

Contract #155 – CSP

Summary of Present Status:

1. Contract Administration: The Contractor, E.E. Cruz, continues to submit RFI's and shop drawings. A total of 1306 shop drawings have been submitted to date. There have been 241 formal requests for information.
2. Contaminated Soils: Non hazardous industrial waste classified soil resumed disposal this past month as the excavation related to PST-3 encountered some of this soil. The soil is being disposed of at a facility in Bucks County, Pennsylvania that is willing to accept this material. Relatively small quantities (approximately 3400 tons) were encountered.
3. Concrete: There has been over 24,000 cubic yards of structural concrete poured to date.
4. Building Status:

Headworks: The concrete is complete and the Concrete Masonry Unit construction nears completion. Three raw sewerage pumps are now set in place. Four bar screens were recently set into place and the related gate work will be started shortly. Electrical distribution and branch work is nearing completion in the building as is mechanical piping. The air handling units are now set on the roof.

Influent Division Box: The walls are poured and good progress on the structure continues with the geofoam set in place.

Service Building: No work was completed in the building this month, although the electrical room work was laid out. The temporary chlorine feed will be installed shortly which will allow for the demolition of the existing chemical feed area. The area will now house the new boilers, which we anticipate completing before the winter season starts.

Primary Settling Tanks: The excavation and grading on PST-4 is complete and the bottom steel mat is in place. The chain and flight mechanisms have been removed and the structural crack repair has been started on PST-3.

Pump and Blower Building: Demolition of the existing Blower #3 (Cooper Engine) was started this past month. New blowers #1 and #3 are in service, although the sound enclosures are not yet installed. The sound enclosures should be installed during July. The new #2 blower installation should start in July.

Rotary Drum Thickener: Plumbing, electrical and HVAC work continued throughout the building. Wall painting was completed in the building.

Final Settling Tanks: FST 5 and 6 are functional and in service. FST-4 has been taken out of service and the demolition of the sludge collection mechanisms is nearly complete. The new sludge collection mechanism should be on site in July.

Return Sludge Pump Station: The entire pump station is nearing completion with only clean up and finish work remaining. Continuous running of the RAS Pump Station is dependent on the successful start up of the Cogen.

Effluent Filters: The filter underdrain system continues. The railing for the backwash system is also underway. This is non-critical work that provides a buffer for some tradesmen if more critical work is completed elsewhere.

Ultraviolet Disinfection: The UV system was functionally tested and found to be working properly. However, the transmittance (physical process of light passing through a sample) of the effluent has lowered due to the dropping of the aeration tank. The lowered transmittance value will not allow for a proper effective kill test of the UV equipment. Therefore, the UV system has been shutdown until the aeration tank work is completed, which is anticipated by the end of 2007.

Effluent Pump Station: Final electrical connections are nearly complete which will allow for the use of the pump station should the plant experience high flow events.

DSN-001/-002: There was no work performed related to DSN-001 or -002 this past month.

Site Piping: There was no work related to site piping performed this past month.

Aeration Basins: Aeration Basin #1 was isolated and drained and demolition of the interior air piping will be started shortly.

Contract #156

Contract work is complete. The final invoice which includes the release of retainage is pending Board Approval.

1. The Contract issues have been satisfied including the as built survey data and final quantities change order that reduced the value of the Contract to the actual costs incurred. It is recommended that the Board approve the final payment to release the retainage held on the Contract. All maintenance and environmental bonds have been received and the Contract work has been reconciled fully.

Committee Reports

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

Engineering Committee (Clark Landale, Chairman)

No report.

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 (Joan Papen, Chairwoman)

Mrs. Papen stated that a draft copy of the updated Commissioners Handbook was distributed to the Committee members, the Chairman and the Interim Executive Director. She asked that they review the document and note their comments for discussion at a meeting to be held in August or September.

Sludge Management Committee (Frank Mazzarella, Chairman)

No report.

Insurance Review Committee (Allen Chin, Chairman)

Mr. Chin stated that an Insurance Review Committee Meeting was held earlier this evening at which time the Insurance Proposals and related matters were discussed. Action will be taken later in the meeting. Also a Special meeting will be held on July 24th for further action on placement of insurance.

Legal Committee (Joan Papen, Chairwoman)

No report.

Public Relations Committee (Rosalie Berger, Chairwoman)

Mrs. Berger stated that a Committee meeting will be held in September to discuss the 2007 Newsletter.

Unfinished Business

None.

New Business

The following Resolution #07-26 was offered by Mr. Lombardo, on motion of Mr. Lombardo, seconded by Mr. Chin and unanimously approved.

RESOLUTION #07-26

BE IT RESOLVED that the officers of the Rahway Valley Sewerage Authority be and are hereby authorized to invest the following for the Operating Fund, to mature on October 17, 2007:

Amount	Rate	Bank
\$4,500,000.00	5.24%	JP Morgan Chase

The following Resolution #07-27 was offered by Mr. Lombardo, on motion of Mr. Lombardo, seconded by Mr. Chin and unanimously approved.

RESOLUTION #07-27

BE IT RESOLVED that the officers of the Rahway Valley Sewerage Authority be and are hereby authorized to invest the following for the Operating Fund, to mature on September 18, 2007:

Amount	Rate	Bank
\$2,532,787.92	5.23%	JP Morgan Chase

The following Resolution #07-28 was offered by Mr. Chin, on motion of Mr. Chin, seconded by

Mr. Luban and unanimously approved.

RESOLUTION #07-28

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolution #07-07 and related Agreement for the purpose of engaging Hatch Mott MacDonald (HMM), 27 Bleeker Street, Millburn, NJ 07041, for Professional Engineering Services, specifically to perform an Evaluation of the Authority's User Charge System, Contract #0721; and

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

WHEREAS, HMM submitted documentation reflecting the need for additional monies related to the contract for out of scope services regarding inter-municipal adjustments and the alternative user charge system evaluation based on water consumption data; and

WHEREAS, the additional amount to be authorized for this Contract is \$29,600.00; 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 Title 40A.

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that the previously adopted Resolution and related Agreement with Hatch Mott MacDonald in an amount of \$78,000.00 be and are hereby amended to provide for the increased contract amount of \$29,600.00 resulting in a total contract not to exceed \$107,600.00; 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. Lombardo noted that some of the towns have not provided the requested information. He added that the more work required by the consultant to get the information, the more it costs the Authority and suggested that the Commissioners get on their towns.

Mr. Chin made a motion, seconded by Mr. Luban, to award Contract #0726 Firm Non Recallable Natural Gas to the sole bidder, Woodruff Energy of Bridgeton, NJ, for Option #2, at a cost of \$10.99/dth or \$1.099/therm, as recommended by the Interim Executive Director in concurrence with Counsel. The motion was unanimously approved.

Mr. Chin made a motion, seconded by Mr. Luban, to reject all bids received on Contract #157 – Rehabilitation of the Digesters #1, #2 and #3, as recommended by Counsel and the Consulting Engineer, as the two lowest bids were found to be non-conforming and all of the bids exceeded the Engineers Estimate and to rebid the contract. The motion was unanimously approved.

The following Resolution #07-29 was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mrs. Berger and unanimously approved.

RESOLUTION #07-29

WHEREAS, Assembly Bill A-4393 requires contracting units requesting bids for construction projects to advertise their projected cost estimate range and requires that the projected cost estimate range be attested to by the person preparing the advertisement for bid 120 days prior to the bid due date; and

WHEREAS, this bill is unnecessary legislation that will adversely impact an essential function of local government and create an additional and unnecessary level of bureaucracy on the already cumbersome Local Public Contracts Law and numerous other statutes (i.e. New Jersey Business Registration Certificate, Public Works Contractors Registration, “Lazy Bidder Law”, Affirmative Action, Prompt Payment and Pay to Play) affecting the public contracting process; and

WHEREAS, this bill undermines the efficiency not only of procurement, but general government as well, particularly when there may be a need to perform expedited procurement to protect the health and safety of the public, and

WHEREAS, this bill will likely diminish full, fair, open competition among potential vendors as contractors would have little incentive to provide a bid lower than the projected costs; and

WHEREAS, this bill restrains the discretion of the governing body in rejecting all bids for any of the six reasons currently under N.J.S.A. 40A:11-13.2; and

WHEREAS, this bill contains ambiguous language and open-ended criteria that could lead to protracted disputes and even litigation; and

WHEREAS, this bill ignores provisions of N.J.S.A. 40A:11-1 et seq., which have been in place since 1971 and have enabled the efficient, effective and responsible construction of public facilities; and

WHEREAS, this bill replaces a responsible competitive bidding process that is driven by the market place with a new process tied to estimated costs.

NOW, THEREFORE, BE IT RESOLVED by the members of the Rahway Valley

Sewerage Authority, that:

1. The members of the Authority petition the Legislature to defeat this bill, and authorize copies of this Resolution be sent to each of the legislators of the Authority's district.

The following Resolution #07-30 was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mr. Lombardo and unanimously approved.

RESOLUTION #07-30

WHEREAS, the Rahway Valley Sewerage Authority solicited and received a proposal for insurance coverage related to its Property and Equipment; and

WHEREAS, pursuant to the Local Public Contracts Law N.J.S.A. 40A:11-5, contracts of this nature may be awarded without bidding, however, Request For Proposals (RFP's) were advertised on the Authority's web site and proposals were received for the award of this contract through a fair and open process in accordance with N.J.S.A. 19:44A-20, et. seq.

WHEREAS, the Secretary-Treasurer of the Authority, who is the Chief Financial Officer, hereby certifies that funds for said contract are available in the 2007 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that based on the proposal received from Liberty Mutual Insurance Company, the Rahway Valley Sewerage Authority hereby awards the placement of its Property and Equipment Insurance in an estimated amount of \$129,000.00, subject to the finalization of surcharges and adjustments of Insurance Values; and

BE IT FURTHER RESOLVED that the insurance program being awarded as noted above is for the period from July 25, 2007 to July 25, 2008; and

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

The following Resolution #07-31 was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mrs. Berger and unanimously approved.

RESOLUTION #07-31

WHEREAS, the Rahway Valley Sewerage Authority solicited and received a proposal for insurance coverage related to its General, Umbrella Liability, Automobile, Public Officials/Employment Practices Liability, Crime and Public Officials Bond; and

WHEREAS, pursuant to the Local Public Contracts Law N.J.S.A. 40A:11-5, contracts of this nature may be awarded without bidding, however, Request For Proposals (RFP's)

were advertised on the Authority's web site and proposals were received for the award of this contract through a fair and open process in accordance with N.J.S.A. 19:44A-20, et. seq.

WHEREAS, the Secretary-Treasurer of the Authority, who is the Chief Financial Officer, hereby certifies that funds for said contract are available in the 2007 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that based on the proposal received from Amalgamated General Agencies (AGA), the Rahway Valley Sewerage Authority hereby awards the placement of its Public Entity Package Policy to the Insurance Carriers outlined in the proposal submitted by AGA of Westfield, NJ, in an estimated amount of \$132,000.00 subject to the finalization of New Jersey surcharges and adjustments of Insurance Values; and

BE IT FURTHER RESOLVED that the insurance program being awarded as noted above is for the period from July 25, 2007 to July 25, 2008; and

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

The following Resolution #07-32 was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mr. Luban and unanimously approved.

RESOLUTION #07-32

WHEREAS, the City of Rahway filed an application for a Treatment Works Application on behalf of Medina Consultants and Station Place at Rahway, for a 4 story building to be located on Campbell Street in the City of Rahway, State of New Jersey; and

WHEREAS, the application is for the construction of 30 lf of a 6" lateral sewer to service a four story building which will house 80-2 bedroom residential units with a proposed additional flow of 18,000 gpd; and

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

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

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

The following Resolution #07-33 was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mr. Luban and unanimously approved.

RESOLUTION #07-33

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 arising from and in connection with 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 prolonging the completion of Contract #105; and

WHEREAS, due to the explosions, additional professional services have been and will continue to be required by the Authority from 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 those explosions.

NOW, THEREFORE BE IT RESOLVED, that the Authority shall issue direct payments to Weiner Lesniak, LLP, Paulus, Sokolowski & Sartor and Consolidated Construction Management Services for the additional scope of services arising from the delay in the completion of Authority Contract #105 and subsequently shall seek reimbursement from J.H. Reid Construction.

BE IT FURTHER RESOLVED, that all employees, executives and officers of the Authority are hereby authorized to perform those tasks and execute those documents that will affect the purposes of this Resolution.

BE IT FURTHER RESOLVED, that Resolution #07-24 be and is hereby rescinded.

Mr. Venturo stated for the record, that at previous meetings he told the Commissioners this would happen. He also stated that if Counsel feels the Authority needs special counsel for this matter, then he should recommend that to the board. Mr. Hak stated that his firm has experts in this area.

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
2225	06/27/07	STAPLES BUSINESS ADVANTAGE	134	3,604.55
2226	07/10/07	STAPLES BUSINESS ADVANTAGE	134	875.60
2227	07/19/07	ARGENT ASSOCIATES LLC.	140.7	877.50
2228	07/19/07	CONSOLIDATED CONSTRUCTION MGT.	140.02/7	268,784.80
2229	07/19/07	EE CRUZ COMPANY INC.	140.7	2,487,224.68
2230	07/19/07	J.H. REID, GENERAL CONTRACTOR	140.2	107,253.59
2231	07/19/07	NORTHEAST REMSCO CONSTRUCTION	140.8	188,935.92

Total Building & Equipment Fund Checks: 7
 Total Void Checks: 0
 Total Amount Void: \$0.00
 Total Amount Paid: \$3,057,556.64

OPERATING FUND

CHECK #	DATE	VENDOR	LINE/ACCT#	AMOUNT
33565	06/27/07	A TOUCH OF ITALY	49	130.00
33566	06/27/07	CANON FINANCIAL SERVICES, INC.	16	1,329.74
33567	06/27/07	DELTA DENTAL PLAN OF NJ	03	5,674.87
33568	06/27/07	EDIBLE ARRANGEMENTS-WOODBRIDGE	18	300.00
33569	06/27/07	ELIZABETHTOWN GAS	22	50.91
33570	06/27/07	EMSL ANALYTICAL INC.	40	147.00
33571	06/27/07	MAGELLAN BEHAVIORAL HEALTH	03	550.83
33572	06/27/07	PITNEY BOWES, INC.	16	324.00
33573	06/27/07	POLAND SPRING WATER COMPANY	46	125.37
33574	06/27/07	RAHWAY VALLEY SEWERAGE AUTHORITY	01/02	182,604.86
33575	06/27/07	STANDARD INSURANCE COMPANY	03	2,335.25
33576	06/27/07	VERIZON	11/30	1,072.31
33577	06/27/07	VERIZON WIRELESS	11	387.21
33578	06/27/07	VISION SERVICE PLAN	03	1,172.08
33579	07/10/07	ADP, INC.	03	165.32
33580	07/10/07	ELIZABETHTOWN GAS	22	783.03
33581	07/10/07	HOME DEPOT CREDIT SERVICES	32	1,624.26
33582	07/10/07	VERIZON	11/30	455.07
33583	07/10/07	WOODRUFF ENERGY	22	464.44
33584	07/19/07	ADP, INC.	16	1,117.46
33585	07/19/07	ADVANCED SPECIALTY SALES, INC.	32	1,177.18
33586	07/19/07	ALL AMERICAN SEWER SERVICE INC.	32	6,933.00
33587	07/19/07	AMERICAN INDUSTRIAL SUPPLY CORP.	32/38	1,997.30
33588	07/19/07	AMERICAN WEAR	32	1,361.50
33589	07/19/07	APPLIED ANALYTICS, INC.	32	6,255.00
33590	07/19/07	AQUA PRO-TECH LABORATORIES	40	225.00
33591	07/19/07	ARCH WIRELESS	11	11.19
33592	07/19/07	ASSOCIATED AUTO PARTS	35	185.44
33593	07/19/07	ASSOCIATION OF ENVIRONMENTAL AUTH.	15/49	2,575.00
33594	07/19/07	BOWCO LABORATORIES, INC.	32	63.00
33595	07/19/07	CARUS CHEMICAL	32	2,599.27
33596	07/19/07	CDW GOVERNMENT, INC.	13/27	872.55
33597	07/19/07	CENTRISYS CORPORATION	38	623.73

33598	07/19/07	CITY OF RAHWAY, UNITED WATER RES.	33	7,213.27
33599	07/19/07	COMMERCE BANK	09	19,882.50
33600	07/19/07	COMMERCE BANK	09	4,140.00
33601	07/19/07	COMPUSA	27	104.98
33602	07/19/07	CORRECT TEMP, INC.	32	584.80
33603	07/19/07	D2L ASSOCIATES, INC.	42	2,240.00
33604	07/19/07	DELL MARKETING L.P.	27	1,005.73
33605	07/19/07	ELECTRONIC DRIVES & CONTROLS	32	1,717.92
33606	07/19/07	ELIZABETHTOWN GAS	22	6,185.52
33607	07/19/07	ENVIRONMENTAL RESOURCE ASSOCIATES	40	883.63
33608	07/19/07	FEDEX	48	48.18
33609	07/19/07	FISHER SCIENTIFIC	40	5,631.42
33610	07/19/07	FPM SERVICES	32	1,150.00
33611	07/19/07	FRANKLIN MILLER	38	880.00
33612	07/19/07	ANTHONY GENCARELLI	31	150.00
33613	07/19/07	W.W. GRAINGER, INC.	32	238.50
33614	07/19/07	GARY W. GRAY TRUCKING, INC.	25/26	68,511.72
33615	07/19/07	JOANNE GRIMES	49	1,233.96
33616	07/19/07	HACH COMPANY	40/43	938.50
33617	07/19/07	HALL & ASSOCIATES	08	1,746.41
33618	07/19/07	HATCH MOTT MACDONALD	09	30,323.22
33619	07/19/07	INSTRUMENTATION TECHNOLOGY SYSTEMS	41	956.00
33620	07/19/07	JERSEY ELEVATOR COMPANY INC.	32	174.00
33621	07/19/07	LABCHEM INC.	40	455.05
33622	07/19/07	MAFFEY'S SECURITY GROUP	32	361.00
33623	07/19/07	MAX L. BROWN HARDWARE CO., INC.	32	139.45
33624	07/19/07	MOTION INDUSTRIES, INC.	38	97.06
33625	07/19/07	NATIONAL TECHNOLOGY TRANSFER	31	1,249.00
33626	07/19/07	NATIONAL FUEL OIL, INC.	24	1,809.63
33627	07/19/07	NORTHEAST TECHNICAL SALES, INC.	41	791.20
33628	07/19/07	NEW HORIZONS OF CENTRAL/NORTH JERSEY	31	2,000.00
33629	07/19/07	NJEIT	09	34,920.00
33630	07/19/07	NJEIT	09	88,185.00
33631	07/19/07	NJEIT	09	2,715.00
33632	07/19/07	OCECO	32	4,460.25
33633	07/19/07	ONE CALL SYSTEMS, INC.	32	25.74
33634	07/19/07	POLYDYNE INC.	23	18,400.00
33635	07/19/07	PRECISION ELECTRIC MOTOR WORKS	32	181.00
33636	07/19/07	PSE&G COMPANY	19/42	39,744.70
33637	07/19/07	QC LABORATORIES	41	2,650.00
33638	07/19/07	SAFETY-KLEEN CORP.	32	213.72
33639	07/19/07	SAUL EWING LLP	08	147.50
33640	07/19/07	SCHANER'S WASTEWATER PRODUCTS	32	347.14
33641	07/19/07	SHERWIN-WILLIAMS/CON-LUX	32	1,177.30
33642	07/19/07	SIMPLEX GRINNELL LP	31	645.00
33643	07/19/07	SIMPLEX GRINNELL	31	535.00
33644	07/19/07	SISSCO MATERIAL HANDLING EQUIPMENT	31	485.50
33645	07/19/07	STAR LEDGER	12	367.50
33646	07/19/07	THE CABINET SHOP	13	1,457.24
33647	07/19/07	THOMAS SCIENTIFIC	40	364.26
33648	07/19/07	TREASURER - STATE OF NJ	40	54.00
33649	07/19/07	TURTLE & HUGHES INC.	38	1,185.08
33650	07/19/07	UNITED PARCEL SERVICE	48	68.00
33651	07/19/07	UNITED STATES PLASTIC CORP.	40	296.56
33652	07/19/07	UNIVAR USA INC.	29	33,519.63
33653	07/19/07	US FILTER/SIEMENS WATER TECH.	40	572.00
33654	07/19/07	USA BLUEBOOK	38	1,350.01

33655	07/19/07	JOHN VANTUH	31	149.98
33656	07/19/07	VERIZON	11/30	700.53
33657	07/19/07	WEINER LESNIAK	07/08	40,060.90
33658	07/19/07	921-WELCO-CGI GAS TECH LLC	32/40	345.88
33659	07/19/07	WHITEMARSH CORPORATION	32	423.00
33660	07/19/07	WOODRUFF ENERGY	22	23,789.80
33661	07/19/07	ARTHUR M. WRIGHT, JR	03	280.50

Total Operating Fund Checks: 97
 Total Void Checks: 0
 Total Amount Void: \$0.00
 Total Amount Paid: \$688,353.54

Total All Checks: 114
 Total Void Checks: 0
 Total Amount Void: \$0.00
 Total Amount Paid: \$3,745,910.18

OPERATING FUND	7-01	\$ 688,353.54
BUILDING & EQUIPMENT FUND	7-02	<u>3,057,556.64</u>
TOTAL ALL FUNDS		\$3,745,910.18

Open the floor to the Public for questions or comments

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

Anthony Gencarelli addressed the Board. Mr. Gencarelli stated that he was made aware that at least one Commissioner thought that he (Mr. Gencarelli) was making statements against privatization on behalf of the Interim Executive Director (IED). Mr. Gencarelli stated that is the farthest thing from the truth and added that he would be happy to speak to any of the Commissioners on a one to one about his feelings on this matter and that he has never met with the IED to discuss privatization.

Mr. Gencarelli went on to say that he recently heard about a book called “Thirst” and offered to the Commissioners that he would purchase them a copy if they agreed that they would read it. Mr. Gencarelli noted that this book is a follow up to a PBS Special and then read the following statement from the book:

Thirst – Is water a Human Right – “Out of sight of most Americans, global corporations like Nestlé, Suez, and Veolia are rapidly buying up our local water sources-lakes, streams, and springs and taking control of public water services. In their drive to privatize and commodify water, they have manipulated and bought politicians, clinched backroom deals, and subverted the democratic process by trying to deny citizens a voice in fundamental decisions about their most essential public resource.”

Mr. Gencarelli asked if the Commissioners would consider watching the PBS video and then have discussion on the content. The Commissioners agreed that the video could be viewed prior to a Regular Meeting in the Board room.

Mr. Gencarelli went on to say that he found a way for the Authority to save \$141,000. He said

that the Authority expended approximately \$5.3 million for all employees, benefits, and related taxes. He then said that the Authority paid Counsel approximately \$5 million which is 10% of the Authority's total payroll for 60 employees. Based on the assumption of the Authority hiring two full time in house attorneys at a cost of \$400,000.00, the Authority can save \$141,000.00. He then handed out a document outlining his proposal.

Mr. Ventura stated that he disagreed with Mr. Gencarelli on his suggestion. Mr. Ventura noted that by having an outside firm, you have a whole staff of people with different expertise working for you.

Mr. Chin noted that a firm has a law library, they have paralegals that perform a great deal of research for them, secretarial staff, co-counsel, etc. You would not have that with an in house attorney.

Mrs. Berger added that she feels that our present Counsel is doing a great job and does not agree with the suggestion.

Mr. Gencarelli noted that he was not saying that our present Counsel is not doing a great job; just that he was looking at ways the Authority could save money, but understood the comments noted by the Commissioners.

Closed Session

None.

Adjournment

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

Robert J. Materna, Secretary-Treasurer

JG/jg
Attachments