

RAHWAY VALLEY SEWERAGE AUTHORITY

Summary of Minutes

Regular Meeting held August 21, 2008

- Minutes
Approved Minutes of Regular Meeting held July 17, 2008.
- Communications
None.
- Treasurers Reports
The Treasurers Reports for June 2008 were received and are attached.
- Executive Director
Sewer Connections and the status of various contracts.
- Consulting Engineer
Overview of contracts; flow rights and user charge reports.
- Construction Manager
Overview of Contracts #105 and #155.
- Counsel
Overview of legal matters.
- Committees
A report was given by the Finance Committee.
- Unfinished Business
None.
- New Business
Approved the following: Security Purchases; increasing the mileage reimbursement fee; a TWA for Woodbridge; and the First Reading of the Amended Rules & Regulations.
- New Business (Cont'd.)
Approved the following expenditures: Amendment to CCMS Contract #105-C in an amount of \$30,542.35; and C.O. #1 on Contract #155 with E.E. Cruz Construction in an amount of \$377,192.00.
- Bills & Claims

OPERATING FUND	8-01	\$1,270,588.18
BUILDING & EQUIPMENT FUND	8-02	\$1,679,975.34
CONSTRUCTION FUND	8-04	<u>\$94,570.80</u>
TOTAL ALL FUNDS:		\$3,045,134.32

RAHWAY VALLEY SEWERAGE AUTHORITY

Regular Meeting Minutes –August 21, 2008

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 19, 2008.

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.

Roll Call

The following members were present:

Maria A. Abram	for the Township of Springfield
Allen Chin*	for the Town of Westfield
C. Clark Landale	for the Borough of Mountainside
Richard LoForte	for the Borough of Kenilworth
Charles P. Lombardo	for the Borough of Garwood
Joan Papen*	for the Township of Scotch Plains
Paul M. Sefranka	for the City of Rahway

* Participated via telephone conference call.

The following members were absent:

Robert G. Luban	for the Township of Woodbridge
Frank G. Mazzarella	for the Township of Clark
James J. Murphy	for the Township of Cranford
Attilio S. Venturo	for the Borough of Roselle Park

The following were also present:

Michael J. Brinker, Jr., PE	Executive Director
Robert J. Materna	Secretary-Treasurer
Joanne Grimes	Office Admin./Board Secretary
James Wancho, P.E.	Paulus, Sokolowski & Sartor
Brian Hak, Esq.	Weiner Lesniak, LLP
Manny Parada	CCMS
Wayne Baker	Westfield Leader Newspaper

Approval of Minutes

Mr. Sefranka made a motion, seconded by Mr. LoForte, to approve the minutes of the Regular Meeting held July 17, 2008. The motion was approved by those present with the exception of Ms. Abram and Mr. Landale who abstained. Messer's Luban, Mazzarella, Murphy and Venturo were absent.

Communications

None.

Report of Treasurer

The Treasurer's Reports for the month of June 2008 have been distributed to the Commissioners for review and will be spread on the Minutes. So ordered.

Report of Executive Director**Sewer Treatment Endorsements**

The following is a list of Sewer Treatment Endorsements processed between 7/14/08 and 8/18/08, and a copy of the log sheet with additional information was sent to the Commissioners.

<u>Number</u>	<u>Date</u>	<u>Applicant</u>	<u>Municipality</u>
1062-08-CL	08/01/08	Andriy Kalynchuk	Clark
1063-08-WB	08/01/08	Mohammad Latif	Woodbridge
1064-08-GW	08/04/08	Village New Homes	Garwood
1065-08-WB	08/04/08	HBR, LLC	Woodbridge

Monthly Reports

The following reports were received and distributed to the Commissioners:

- PS&S Monthly
- CCMS - Contract #105 – Cogeneration Facility
- CCMS - Contract #155 – Cogeneration Facility
- Weiner Lesniak – Monthly Update
- MMO – Monthly Update
- RVSA Purchase Orders in Excess of \$1500
- RVSA Operations
- RVSA IPP Monthly Activities

Personnel

No Union Negotiations were conducted since the last update and therefore; there is nothing to report at this time.

The IRS submitted guidelines related to reimbursement for travel. A motion is on the agenda under New Business to increase the cost of mileage reimbursement, based on the information from the IRS.

BPU Grant

The BPU has advised the Authority that it has approved the Authority's modified application and is still in the process of finalizing the agreement for execution of the Grant.

Budget

The staff is required to advise the board of the annual contracts that will be solicited. A memo regarding the proposed schedule for the contracts which become effective on January 1, 2009, was distributed to the Commissioners for their reference.

With regard to the 2009 Budget, the Authority has received telephone calls from both Woodbridge and Rahway seeking 2009 Assessment figures. Please be advised that no information will be available regarding the 2009 Assessments until the 2009 Budget process is complete. The 2009 Budget is not usually completed and approved by the Board until November.

Mr. Lombardo asked if the staff would again be meeting with the Finance Committee to go over the budget as was done last year. Mr. Brinker replied that they would.

Lobbyist

A letter was sent to Murray, Montgomery & O'Donnell (MMO) on July 18, 2008 advising them that the Board chose to terminate their contract. The contract between the Authority and MMO provides for a 30 day notice, therefore the contract will end on August 16, 2008.

TWA – Woodbridge

A Treatment Works Application was submitted by the Township of Woodbridge on behalf of Autumn Hill Estates for property located on Hoover Way in the Township of Woodbridge. The Application is for the construction of a sanitary sewer to service 64 1-Bedroom Apartments and 48 2-Bedroom Apartments. The new flow generated from this project will be approximately 0.0204 mgd (or 20,400 gpd). I reviewed the application, find it to be in order and recommend approval. A motion is on the agenda under New Business.

Contract #105-C Construction Oversight Services

As previously discussed, Contract Amendments will be processed monthly for work being performed by CCMS. CCMS's July invoice is in the amount of \$30,542.35.

A motion is on the agenda this evening for an amendment to their contract to pay the current invoice in an amount of \$30,542.35, total amended contract amount of \$2,244,765.65.

Contract #155 – Treatment Plant Upgrade

E.E. Cruz of Holmdel, NJ has submitted documentation through CCMS, for Change Order #1 on Contract #155 – Treatment Plant Upgrade. The change order is for work in the Pump & Blower Building Control Room. A copy of the documentation has been provided to the Commissioners for review. A motion is on the agenda under New Business in an amount of \$377,192.00, total amended contract amount of \$137,514,192.00, as recommended by CCMS.

RVSA Rules & Regulations

The Authority has been working with Counsel and the NJDEP to make required amendments to the Rules & Regulations. A copy of a memorandum from Janet Thevenin, RVSA IPP Coordinator, outlining the changes, has been forwarded to the Commissioners for review. A resolution for “First Reading” is on the agenda under New Business.

Report of Consulting Engineer

The following report to the Authority Board summarizes our activities for the period of July 18, 2008 through August 15, 2008.

JCO Compliance

The second quarter report was prepared and submitted on July 28, 2008, prior to the end of month deadline. On July 17, 2008, PS&S issued letters to all member municipalities seeking information for the annual Infiltration and Inflow (I/I) status report which is due on October 1, 2008. To date, PS&S has received I/I status information from the Townships of Clark, Springfield and Woodbridge.

Administrative Appeals Re: NJPDES/TWA Permits

PS&S continues to coordinate activities with General Counsel and Special Counsel, Hall & Associates related to the follow-up from the Settlement Conference at the Office of Administrative Law on October 25, 2007, to discuss the NJPDES and TWA permit appeals. A general water quality justification document was prepared during previous period summarizing the argument for temporarily suspending the maximum weekly mass loading limits for CBOD and TSS during high flow events and the recommended flow that should be used by NJDEP to trigger suspension of the maximum weekly mass loading limits. If this information is accepted by NJDEP it will settle the NJPDES appeal. Counsel has continued to pursue a response from NJDEP and the DAG.

To date, the NJDEP has not taken any of the necessary steps to implement the negotiated settlement from the October 25, 2007 Settlement Conference. Therefore, on July 25, 2008, Counsel wrote a letter to the DAG notifying them that RVSA intends to proceed pursuant to the Order Granting Sanctions, entered by ALJ Jones on February 27, 2007, which will allow the RVSA to continue the use of DSN 003 and 004 for emergency discharges.

Trunk Sewer Rehabilitation - Contract #144

PS&S continues to dispute the remaining contractor claims related to the contractor's assertion that he was delayed, and discussing same with the Authority and General Counsel. PS&S assisted General Counsel with a letter that was sent to the contractor rejecting his claims and instituting liquidated damages.

Wastewater Management Planning

The RVSA Wastewater Management Plan dated February 6, 2008, prepared by PS&S, was formally adopted by the NJDEP on July 31, 2008.

Cogeneration Funding

A NJBPU Office of Clean Energy-Renewable Energy Advanced Power Program grant has been awarded to the Authority in the amount of \$500,000. The Authority met with a representative of the NJBPU during a previous period to discuss the agreement and provide invoice documents for their review of eligibility against the loan. The Authority is awaiting a response from the NJBPU regarding eligible costs. The Executive Director received indication that the grant was approved at a July NJBPU meeting. RVSA must wait for a draft agreement from NJBPU to finalize the grant conditions.

Air Permitting

PS&S and the Authority are proceeding with the preparation of an additional Title V Significant Modification application to modify certain permit required monitoring and recordkeeping requirements and to address some potential variability in digester gas characteristics. PS&S is waiting on input from the Authority regarding natural gas/digester gas ratio limits for this modification application. In addition, PS&S has drafted an emission test protocol for reduced sulfur emission testing from the Sludge Dryer. This emission testing protocol has been submitted to NJDEP for review and approval. NJDEP has given approval to the Cogeneration engines emission testing protocol.

There has been no recent activity.

Digester Brick Replacement - Contract #157

The contractor, Agia Mason, has completed the contract work on the digesters and the extra work on the Pump and Blower building fascia and the Administration Building roof. Some minor site work involving removal of soil remains. PS&S will work with the contractor to have the soil removed so that the contract can be closed out.

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 associated with engines #1 and #3. During the last period PS&S was involved with the following activities associated with all four engines:

Review of correspondence.
Review of work progress.

Inspection and coordination efforts associated with no-load testing of all four engines to include synchronizing to bus of the cogeneration switchgear; troubleshooting engine failures, repair and retesting; investigating the automatic transfer switch (ATS) failure, repair and testing; and routine exercise of the stand-by generator sets.

User Charge and Flow Rights Reports

The July 2008 flow rights and user charge reports covering June 2008 were issued at the July Board meeting. The August reports covering July 2008 have also been finalized and submitted.

Reports of Construction Management Consultant

Contract #105 – Cogeneration/Sludge Drying Facility

Manny Parada of CCMS gave the following monthly report for Contract #105 project.

Current Work

1. The balance of site work, restoration, plantings, cleanup and building construction was recently restarted in anticipation of a start up on both sides of the building in the near future.
2. Process Equipment: Repairs to the engine breeching are complete and the engines are ready to be restarted. See Summary of Major Project issues below.
3. The sludge dryer start up was again attempted and failed, once again delaying the completion of the work. There are currently issues regarding the fines conveyance system and the cooling water conveyor. A 48 hour test was successfully completed during July, however a subsequent test failed. Prior to initiating a 10 day performance test, Komline Sanderson is making additional modifications to the cooling conveyor and the fine particle conveyance systems. As the modifications continue, a set date for the 10 day performance test is not yet definitive.
4. Pipe and equipment identification and tagging is complete.
5. The engine startup checklist continued throughout July and early August. The electrical switchgear was tested under no load conditions and several issues surfaced as a result of the testing. These issues are being addressed by the gear manufacturer, GE/Zenith, and once all corrections are made, the engine start up will proceed.

Summary of Major Project Issues

The engine start up did not occur in July due to conflicts with the CAT start up team from

Illinois. On June 23, RVSA was notified of a potential problem in the testing of the switchgear which could have impacts on plant operations. Several tests were performed with the engines providing power to the switchgear without affecting the plant operations (a no-load test). The testing proved that several breakers were incorrectly set and required adjustments and retesting. The switchgear testing continues and will require additional testing using the plant power in a “load test”. It is anticipated that the load testing can be completed in August. Until these issues are resolved and the switchgear is fully tested, CAT will not return to the site to finish testing the engines. The month long performance test required by CAT will likely occur in September.

The dryer start up continues to be plagued with individual component difficulties that has not allowed for a successful start up and shutdown in the automatic mode. Current problems exist in the control sequences, cooling systems and the fines conveyance system. Komline Sanderson continues to make modifications to their systems and plans on performing the next ‘dry run’ of the dryer system the week of August 18. If that is successful, the ten day testing period will be scheduled later in August or September.

Financial Summary

Base Contract (with allowances):	\$ 17,133,295.00
Amendments to Date (see below):	\$ 5,032,284.79
Present Contract Amount:	\$ 22,165,579.79
 Approved Payments to Date:	 \$ 21,712,784.54(97.96%)

This amount represents Total Completed and Stored to Date (with retainage) and includes payments pending Authority approval.

NOTE: The Contractor once again has not put an invoice in for consideration this month as only limited Contract work was completed.

Change-Orders to Date

1. Fourth Engine/gas level system: \$2,708,200.00
2. Gas Blending System: \$403,591.00
3. Fourth Engine/DCA/Time Extension: \$476,459.00
4. Centrysis Purchase: \$581,900
5. OH Door/Lighting/Fenwal/Roof Breeching/Flash File \$206,882.61
6. 25 PCO Consolidation - \$290,306.22
7. 6 PCO Consolidation - \$106,039.00
8. 3 PCO Consolidation - \$156,535.74
9. 7 PCO Consolidation - \$46,000
10. Emergency lights, Enclosure, XP lights - \$56,371.22

Summary of Allowances

Description	Contract Basis	Approved to Date
A – Independent testing	\$25,000	\$ 22,021.51
B – Maintain Engineers trailer	\$25,000	\$ 7,705.42
C – Unforeseen Conditions	\$500,000	\$491802.53

D – Optimization Services	\$30,000	\$9,900.00
E – Add'l equip/ I&C	\$75,000	\$75,000.00

Schedule Summary:

Initial Contract Period:	640 days
Time extensions to Date:	370 days
Present Contract Period:	1010 days
Notice to Proceed: (effective date)	March 10, 2004
Original Contractual comp. date:	December 10, 2005
Present Contract Comp. date:	December 15, 2006

Substantial Completion Phase 1: Aug. 15, 2006 - Included ability to run the Engines on Natural gas

Substantial Completion Phase 2: Nov. 15, 2006 - Included the ability to run the engines with all gases

Substantial Completion Phase 3: Nov. 15, 2006 - Included start up of the dryer system

Final Completion: Dec. 15, 2006 - All punchlist items must be completed.

Present Anticipated Comp. Date: October 1, 2008*

*Note: This date is 656 calendar days beyond the current Contract Completion Date, and this date is the anticipated date of start up after testing of the engines, not the Contract Completion. Full Contract Completion may extend into November 2008.

The anticipated completion date was extended into September due to the problems in the dryer as well as the issues that arose on the switchgear testing.

Contract #155 – Treatment Plant Expansion/Upgrade

Manny Parada of CCMS gave the following monthly report for Contract #155 project.

Summary of Present Status

1. Contract Administration: The Contractor, EE Cruz, continues to submit RFI's and shop drawings. A total of 1637 shop drawings have been submitted to date. There have been 316 formal requests for information.
2. Contaminated Soils: There was no contaminated soil removal in July.
3. Concrete: The concrete structures are now poured. Only minor concrete work and small portions of the sidewalk remains.
4. Building Status:

Headworks: The screw conveyors, belt conveyors, dumpster-veyor, fine screening washer compacter and bar screens have been successfully functional tested. The main plant influent pump testing has started and proved initially successful. Additional testing is required. The

scum concentrator is now complete and is ready for testing. The fire protection system was approved by the City of Rahway and the work has started. The access platforms on the main floor are nearly complete. Concrete patch work continued throughout the building. Painting and other finish work continued throughout the building.

A comprehensive testing plan for the Headworks is being worked out between CCMS and the Contractor. This will allow for testing of the complete building systems while having the ability to return plant flow to the current operation if required during testing.

Service Building: The final piping connections in the Service Building cannot be made until the Headworks is fully operational. The primary sludge pumps and piping header were installed and may be functional shortly.

Primary Settling Tanks: PST-4 is complete but the tank cannot be placed into service until the Headworks Building is completed. PST-2 was completed and tested, but failed the initial test. The chains are being repaired and the unit should be ready to re-test shortly.

Rotary Drum Thickener: HVAC and final electrical terminations are essentially completed. Final terminations and connections on the odor control system also resumed but are lagging behind the rest of the building. All six thickened sludge pumps are now operational. The RDT units are being functionally tested as of this writing.

Final Settling Tanks: FST-1, 2, 5 and 6 are in service and FST 3, and 4 are out of service for corrections. The manufacturers of the drives and the clarifiers have been out on site and several corrections are required.

Return Sludge Pump Station: The RAS pump station is now in operation. Minor punchlist work remains.

Effluent Filters: The Effluent Filters are now in operation. Minor punchlist works remains.

Ultraviolet Disinfection: As the UV system was being cleaned and prepared for testing, numerous limit switches were discovered as corroded and damaged. New switches were ordered and were recently installed. The start up of the system is due the week of August 18. Additional testing is required of the system which will follow shortly after the units are started up successfully.

Effluent Pump Station: Work at the station is essentially complete.

DSN-001/-002: The weir at the EPS now controls the flow into DSN-002.

Site Work: Paving in the secondary and tertiary parts of the plant as well as along the side of the new PST-4 was completed in July. The site lighting is nearly complete as are the sidewalks. Final grading has started and the road towards the Headworks has also started its preparation.

Site Piping: The service water piping from the Digester Building to the Headworks is complete. The final portions of the storm water piping also resumed and will be completed shortly.

Schedule Summary:

Notice to Proceed:	April 18, 2005
Initial Contract Periods/Dates:	
Substantial Completion:	1170 days – July 1, 2008
Contract Completion	1260 days – Sep. 29, 2008
Time extensions to Date:	0 days
Pending Time Extensions:	None - See Special Milestones Below
Present Contract Periods/ Dates:	
Substantial Completion:	1170 days – July 1, 2008
Contract Completion	1260 days – Sep. 29, 2008

Special Milestones

The Headworks start up was planned for March 1, 2008, but was not met. The Contractor has submitted letters claiming delays but has yet to quantify a specific delay period. CCMS responded to the letters establishing a paper trail. No additional correspondence occurred this past month.

It does not appear that the substantial completion date of the Contract (September 29, 2008) will be met. However, the actual JCO date for the closure of DSN-004 is April 20, 2009 and it appears that the JCO date may be met based on current projections. These dates are continuously monitored.

The delays that the Contractor has documented are as follows, with any updates detailed below:

1. Headworks Fire Protection: The Rahway Fire Official recently required the addition of two standpipes in the Headworks Building. That system is now approved and construction has started. It is expected to take approximately 12 weeks to complete the installation. The financial impact of this added work will exceed \$500,000. However, the more critical component of this is the time it has taken to complete the design, get the design approved by the City of Rahway, and then actually install the work.

UPDATE: The piping to the building is complete. The long lead items have been ordered and piping installation has started. The work should be complete within 12 weeks.

2. Grating Issues at Headworks: No longer a delay issue.
3. Screw Conveyor Supports: No longer a delay issue.
4. Chemical Feed Design: The tunnel elimination required that chemical feed for the odor control be moved from the Service Building to the Headworks and the Pump and Blower Building. The designers have recently submitted plans and specifications for the Headworks and the Pump and Blower Building design should be completed shortly. The chemicals are needed for the odor control system which is not critical to the JCO date, but is extending the contract completion date.

UPDATE: The permit application for the chemical feed design is being held up by the electrical contractor who is refusing to sign the application until the change order is negotiated. The full change order amount was recently received and exceeds \$1 Million. Portions of the change order have been successfully negotiated, but large portions remain unresolved.

5. Electrical Design issues: The Contractor has stated that numerous design related issues have surfaced at the Headworks Building and those issues will not allow for a timely completion of his work. Upon further evaluation it appears that some of the issues are related to coordination between suppliers and subcontractors and are not entirely due to the design. Regardless, the electrical work at the Headworks Building has suffered and that time delay will impact completion dates.

UPDATE: The electrical subcontractor presented a \$5.3 Million claim although only a small fraction of that claim is supported by change order work. The delay portion of the work is no longer a consideration since the Headworks Building is nearly complete, especially pertaining to the electrical installation. However, the claim is likely to cause a significant challenge to resolve.

6. Control Room Redesign: The Contractor also stated that the delay in obtaining final design documents for the Control Room will impact the final completion date, although not necessarily the JCO date. The control room design, as bid, was not conducive to the operations center of the plant and the Architect was asked to redesign the area and the final design was provided to the Contractor recently.

UPDATE: The Contractor has priced the changes and negotiations have been completed. A change order is being presented to the Board for consideration. Final negotiations are attached to this document for review.

As we work through these issues, more exact impact on the schedule will be known and reported. Exact impacts are not yet known at this time.

Financial Summary

Base Contract (with allowances):	\$137,137,000.00
Amendments to Date:	\$ 0.00
Present Contract Amount:	\$137,137,000.00
Pending Change-Orders:	none
Approved Payments to Date:	\$130,100,455.16 (94.9%)

This amount represents Total Completed and Stored to date (with retainage) and includes payments pending Authority approval.

Mr. Chin asked about the status of the O&M Manuals. Mr. Parada stated that they are coming in slowly and are being provided to the Authority.

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 July 15, 2008 through August 18, 2008.

CSP Improvements & related issues**Contract #155**

We continue to monitor and evaluate potential delay claims being asserted by the contractor/electrical subcontractor with respect to Contract #155. We previously provided the Executive Director with detailed legal memoranda evaluating the merits of same and making recommendations with respect to actions to be taken by the Authority.

On August 14, 2008 we received renewal Certificates of Insurance with endorsements which we have reviewed and have approved and, therefore, the contractor continues to maintain the levels of insurance that are required by the contract.

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

Cogeneration Facility

We have conducted extensive legal research with respect to potential change orders that have been submitted by the contractor, including its recent request for additional overhead, and have provided the Executive Director with a detailed legal memorandum evaluating the merits of same and making recommendations with respect to actions to be taken by the Authority. We have also evaluated the Authority's claims for liquidated damages against the contractor.

We also continue to monitor the progress of the claim that has been submitted by the contractor to its builder's risk insurance carrier for the payment of the Authority's legal fees associated with the Caterpillar engine explosions.

Miscellaneous**NJPDES Permit Appeal**

On October 26, 2007 a settlement conference was held at the Office of Administrative Law at which time a resolution of the remaining two (2) issues in the case (an emergency bypass and the required loading limits) was discussed with NJDEP. The parties at that time had reached an agreement in principle; however, NJDEP has since failed to finalize the proposed settlement. By letter dated June 4, 2008 we requested that the Administrative Law Judge re-list our motion for sanctions that we previously filed on behalf of the Authority. After several follow-up telephone calls to the Judge and still not having received any response to our June 4, 2008 letter, we sent a follow-up letter to the Judge dated June 23, 2008 which also has gone unanswered. Further

details regarding a future course of action will be discussed with the Board in Executive Session.

Trunk Sewer conflicts

We have prepared an agreement with Bank of America for purposes of establishing the bank's responsibilities with respect to an encroachment on the Authority's trunk sewer line by a proposed branch bank building in Cranford. The proposed agreement was recently forwarded to Bank of America's counsel for review and execution. We are also in the process of preparing a similar agreement with the Breathless Go-Go bar in Rahway regarding a similar issue. Finally, we have a recommendation with respect to the Leonardis property in Clark that will be discussed with the Board in Executive Session.

Contract #144-Trunk Sewer Rehabilitation

We have had several discussions with the Executive Director and the Consulting Engineer regarding the contractor's potential change orders (claims) as well as the Authority's claims for liquidated damages and credits being asserted against the contract. In addition, we have conducted extensive legal research with respect to the issues surrounding the contractor's two largest claims which was the subject of a detailed legal memorandum previously provided to the Executive Director. On May 15, 2008 we sent a letter to the contractor's counsel denying the contractor's claims and making a demand for liquidated damages and credits against the contract to which the Authority is entitled. The contractor's counsel responded by letter dated June 18, 2008 whereby he requested that if the claims could not be resolved in the near future that the Authority designate its desired alternate dispute resolution (ADR) procedure and that the matter proceed in accordance with such ADR. We responded by letter dated June 23, 2008 requesting certain information from the contractor which, to date, has not been provided. This item may be discussed in further detail in Executive session.

Flow Rights Exceedence Hearings

We are in the process of formulating a recommended policy for the reinstatement, at the Executive Director's recommendation, of the Peak Flow Rights exceedence hearing procedure set forth in the service agreement.

Committee Reports

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

Engineering Committee (Allen Chin, 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 & Claims were reviewed. Action is on the agenda under Bills and Claims.

Insurance Review Committee (Robert Luban, Chairman)

No report.

Legal Committee (Clark Landale, Chairman)

No report.

Personnel Committee (James Murphy, Chairman)

No report.

Public Relations Committee (Attilio Venturo, Chairman)

No report.

Sludge Management Committee (Frank Mazzarella, Chairman)

No report.

Unfinished Business

None.

New Business

The following Resolution #08-40 was offered by Mr. LoForte, on motion of Mr. LoForte, seconded by Mr. Sefranka and unanimously approved by the members present; Messer’s Luban, Mazzarella, Murphy and Venturo were absent.

RESOLUTION #08-40

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 23, 2008:

<u>Amount</u>	<u>Rate</u>	<u>Bank</u>
\$4,000,000.00	2.30%	JP Morgan Chase

The following Resolution #08-41 was offered by Mr. LoForte, on motion of Mr. LoForte, seconded by Ms. Papen and approved by the members present, with the exception of Mr. Chin who abstained. Messer’s Luban, Mazzarella, Murphy and Venturo were absent.

RESOLUTION #08-41

BE IT RESOLVED that the officers of the Rahway Valley Sewerage Authority be and are hereby authorized to invest the following for the Operating Reserve Fund, to mature on October 16, 2008:

<u>Amount</u>	<u>Rate</u>	<u>Bank</u>
\$3,013,774.01	2.54%	Town Bank

The following Resolution #08-42 was offered by Mr. LoForte, on motion of Mr. LoForte, seconded by Ms. Abram and approved by the members present, with the exception of Mr. Chin who abstained. Messer’s Luban, Mazzarella, Murphy and Venturo were absent.

RESOLUTION #08-42

BE IT RESOLVED that the officers of the Rahway Valley Sewerage Authority be and are hereby authorized to invest the following for the Capital Replacement Fund, to mature on October 16, 2008:

<u>Amount</u>	<u>Rate</u>	<u>Bank</u>
\$2,511,478.34	2.54%	Town Bank

Mr. LoForte made a motion, seconded by Mr. Sefranka, approving the mileage reimbursement be amended from \$0.505 to \$0.585 effective July 1, 2008 through December 31, 2008, as per the IRS tax guidelines, as recommended by the Executive Director. The motion was unanimously approved by the members present. Messer’s Luban, Mazzarella, Murphy and Venturo were absent.

The following Resolution #08-43 was offered by Mr. Sefranka, on motion of Mr. Sefranka, seconded by Mr. LoForte and unanimously approved by the members present. Messer’s Luban, Mazzarella, Murphy and Venturo were absent.

RESOLUTION #08-43

WHEREAS, the Township of Woodbridge submitted a Treatment Works Application on behalf of Abington Associates, Inc./Autumn Hill Estates LLC, for a project known as Autumn Hill Estates to be located at 1 Hoover Way in the Township of Woodbridge, State of New Jersey; and

WHEREAS, the application is for the construction of 435 lf of 8” sewer to service a 4 story multifamily age restricted building including 64 one bedroom apartments and 48 two bedroom apartments with a proposed flow of .0204 mgd (20,400 gpd); and

WHEREAS, the flow from the foregoing connection 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., 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 #08-44 was offered by Mr. Landale, on motion of Mr. Landale, seconded by Mr. Sefranka and unanimously approved by the members present. Messer's Luban, Mazzarella, Murphy and Venturo were absent.

RESOLUTION #08-44

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolutions #03-89, #07-16, #07-23 and #08-23, #08-31, #08-32 and related Agreements, Contract #105-C, for the purpose of engaging Consolidated Construction Management Services (CCMS), for Professional Services specifically to serve as the Construction Manager on Contract #105-Cogeneration/Sludge Drying Facility; and

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

WHEREAS, CCMS submitted documentation reflecting the need for a contract extension and additional monies related to their work on Contract #105-C; and

WHEREAS, the additional amount to be authorized for this Contract is \$30,542.35; 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 2008 Annual Budget.

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

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that the previously adopted Resolutions and related Agreements with CCMS in an amount of \$2,214,223.30 be and are hereby amended to provide for the increased contract amount of \$30,542.35 resulting in an amended contract amount not to exceed \$2,244,765.65; and

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

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

Mr. Landale made a motion, seconded by Mrs. Papen, to approve Change Order #1 on Contract #155 – Treatment Plant Upgrade, to E.E. Cruz of Holmdel, NJ in an amount of \$377,192.00, total amended contract amount of \$137,514,192.00, as recommended by CCMS. The motion was unanimously approved by the members present. Messer's Luban, Mazzarella, Murphy and Venturo were absent.

The following Resolution #08-45 was offered on First Reading by Mr. Landale, on motion of Mr. Landale, seconded by Mr. Chin and unanimously approved by the members present. Messer’s Luban, Mazzarella, Murphy and Venturo were absent.

RESOLUTION #08-45

FIRST READING

WHEREAS, the Rahway Valley Sewerage Authority (Authority) had previously adopted “Rules and Regulations Concerning Discharges to the Rahway Valley Sewerage Authority” (Rules and Regulations), Sixth Revision dated October 23, 2003, Effective July 15, 2004; and

WHEREAS, the Authority is permitted to amend and/or revise such Rules and Regulations pursuant to New Jersey Statute; and

WHEREAS, the Authority in conjunction with the New Jersey Department of Environmental Protection (NJDEP) and the Authority’s General Counsel have determined that it is necessary to revise said Rules and Regulations to comport with New Jersey Statutes and NJDEP Regulations.

NOW, THEREFORE, BE IT RESOLVED, by the Rahway Valley Sewerage Authority that it hereby amends the Rules and Regulations as set forth in the attached document entitled “Rules and Regulations Concerning Discharges to the Rahway Valley Sewerage Authority” Seventh Revision dated August 21, 2008; and

BE IT FURTHER RESOLVED that these Rules and Regulations will take effect after the NJDEP’s final review, subsequent Public Notice and Second Reading by the Governing Body.

Bills and Claims

Mr. LoForte made a motion, seconded by Mr. Chin, that the following bills and claims previously audited by the Finance Committee be ordered paid. The motion was unanimously approved by the members present. Messer’s Luban, Mazzarella, Murphy and Venturo were absent.

BUILDING & EQUIPMENT FUND

CHECK #	DATE	VENDOR	ACCT/LINE #	AMOUNT
2316	08/21/08	ARGENT ASSOCIATES LLC	140.7	1,170.00
2317	08/21/08	CONSOLIDATED CONSTRUCTION MGT.	140.2/7	305,921.08
2318	08/21/08	EE CRUZ COMPANY INC.	140.7	1,369,384.26
2319	08/21/08	PAULUS, SOKOLOWSKI & SARTOR, LLC	140.9	3,360.00
2320	08/21/08	WEINER LESNIAK LLP	140.9	140.00

Total Building & Equipment Fund Checks: 5

Total Void Checks: 0

Total Amount Void: \$0.00

Total Amount Paid: \$1,679,975.34

CONSTRUCTION FUND

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
1180	08/21/08	MARVEC CONSTRUCTION CORP.	140.4	93,875.30
1181	08/21/08	PAULUS, SOKOLOWSKI & SARTOR, LLC	140.4	695.50

Total Construction Fund Checks: 2
Total Void Checks: 0
Total Amount Void: \$0.00
Total Amount Paid: \$94,570.80

OPERATING FUND

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
159	08/14/08	NEW JERSEY STATE HEALTH BENEFITS	03	68,778.74

Total Manual Operating Fund Checks: 1
Total Void Checks: 0
Total Amount Void: \$0.00
Total Amount Paid: \$68,778.74

OPERATING FUND

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
35101	07/16/08	NJ MOTOR VEHICLE COMMISSION	35	40.00
35102	07/23/08	A TOUCH OF ITALY	49	120.00
35103	07/23/08	AMALGAMATED GENERAL AGENCIES	17	130,897.64
35104	07/23/08	CANON FINANCIAL SERVICES, INC.	16	1,299.72
35105	07/23/08	CMD MEDIA	13	15.00
35106	07/23/08	COGENT COMMUNICATIONS, INC.	27	674.00
35107	07/23/08	ELIZABETHTOWN GAS	22	2,953.25
35108	07/23/08	ELIZABETHTOWN GAS	22	8,470.09
35109	07/23/08	FEDEX	48	160.19
35110	07/23/08	HESS CORPORATION	19	160,493.40
35111	07/23/08	MIDDLESEX WATER COMPANY	33	1,116.60
35112	07/23/08	TREASURER - STATE OF NJ	18	25.00
35113	07/23/08	PSE&G COMPANY	19	46,541.49
35114	07/23/08	VERIZON WIRELESS	11	638.42
35115	07/23/08	WOODRUFF ENERGY	22	5,807.18
35116	07/25/08	LIBERTY MUTUAL INSURANCE GROUP	17	27,660.00
35117	07/25/08	POLAND SPRING	46	140.68
35118	07/25/08	RAHWAY VALLEY SEWERAGE AUTH.	01/02	158,365.86
35119	07/25/08	VERIZON	11/30	994.42
35120	07/25/08	WOODRUFF ENERGY	22	2,884.27
35121	08/05/08	DELTA DENTAL PLAN OF NJ	03	5,771.34
35122	08/05/08	ELIZABETHTOWN GAS	22	925.17
35123	08/05/08	HOME DEPOT CREDIT SERVICES	32	242.58
35124	08/05/08	NJ MANUFACTURERS INSURANCE CO.	17	18,085.00
35125	08/05/08	RADWELL INTERNATIONAL, INC.	38	1,848.46
35126	08/05/08	STANDARD INSURANCE COMPANY		2,200.29
35127	08/05/08	STAPLES BUSINESS ADVANTAGE	13	233.24
35128	08/05/08	TREASURER - STATE OF NJ	37	2,400.00
35129	08/05/08	VERIZON	11/30	441.70
35130	08/05/08	VISION SERVICE PLAN	03	1,172.08

OPERATING FUND (Cont'd.)

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
35131	08/05/08	WOODRUFF ENERGY	22	68.66
35132	08/14/08	RAHWAY VALLEY SEWERAGE AUTH.	01/02	125,318.39
35133	08/21/08	ADP, INC.	03	170.28
35134	08/21/08	ADP, INC.	16	1,819.67
35135	08/21/08	AIRGAS SAFETY, INC.	31	146.64
35136	08/21/08	ALL AMERICAN SEWER SERVICE INC.	32	17,770.00
35137	08/21/08	AMERICAN INDUSTRIAL SUPPLY CORP.	38	85.80
35138	08/21/08	AMERICAN WEAR	32	1,136.75
35139	08/21/08	AVOGADRO ENVIRONMENTAL CORP.	41	440.00
35140	08/21/08	BAY BREAKERS INC.	32	1,075.84
35141	08/21/08	BOWCO LABORATORIES, INC.	32	63.00
35142	08/21/08	FELICE BUSTO	08	2,460.00
35143	08/21/08	CITY OF RAHWAY-UNITED WATER RES.	33	12,658.46
35144	08/21/08	COGENT COMMUNICATIONS, INC.	27	674.00
35145	08/21/08	CONSOLIDATED PLASTICS COMPANY.	32	228.32
35146	08/21/08	COOPER ELECTRIC SUPPLY CO.	32	3,015.76
35147	08/21/08	CORRECT TEMP, INC.	32	1,595.54
35148	08/21/08	CSL SERVICES, INC.	30	15,331.88
35149	08/21/08	D2L ASSOCIATES, INC.	42	2,480.00
35150	08/21/08	DAVID WEBER OIL COMPANY	32	655.60
35151	08/21/08	DELL MARKETING L.P.	27	1,024.00
35152	08/21/08	DUNFORD REFRIGERATION, HEATING	43	354.00
35153	08/21/08	ELIZABETHTOWN GAS	22	2,601.77
35154	08/21/08	ENVIRONMENTAL RESOURCE ASSOC.	40	894.42
35155	08/21/08	ELIZABETHTOWN GAS	22	8,797.27
35156	08/21/08	FEDEX	48	22.86
35157	08/21/08	KIDDE FENWAL	32	1,755.00
35158	08/21/08	FISHER SCIENTIFIC	40/43	6,735.61
35159	08/21/08	GENERAL ELECTRIC COMPANY	32	114.95
35160	08/21/08	GFI SOFTWARE	27	643.14
35161	08/21/08	GOVDEALS, INC.	32	618.26
35162	08/21/08	W.W. GRAINGER, INC.	32	2,953.50
35163	08/21/08	GARY W. GRAY TRUCKING, INC.	25	70,206.26
35164	08/21/08	GREAT LAKES ENVIRONMENTAL	41	614.08
35165	08/21/08	HACH COMPANY	40	597.51
35166	08/21/08	HATCH MOTT MACDONALD	08	1,460.56
35167	08/21/08	HAYES PUMP INC.	32	989.00
35168	08/21/08	JCI JONES CHEMICALS, INC.	29	23,735.34
35169	08/21/08	JERSEY ELEVATOR COMPANY INC.	31/32	1,332.71
35170	08/21/08	LAB SAFETY SUPPLY, INC.	43	256.87
35171	08/21/08	LABCHEM INC.	40	1,007.82
35172	08/21/08	LIBERTY MUTUAL INSURANCE GROUP	17	12,908.00
35173	08/21/08	LONGO ELECTRICAL-MECHANICAL, INC.	32	472.00
35174	08/21/08	MAFFEY'S SECURITY GROUP	32	230.10
35175	08/21/08	MAX L. BROWN HARDWARE CO., INC.	32	267.60
35176	08/21/08	MCMASTER-CARR SUPPLY CO.	32	1,062.27
35177	08/21/08	MECHANICAL SERVICE CORP.	32/33	385.50
35178	08/21/08	MIDDLESEX WATER COMPANY	33	1,158.81
35179	08/21/08	MOTION INDUSTRIES, INC.	32	2,504.15
35180	08/21/08	MULTI-CARE HEALTH CENTER	50	1,025.00

OPERATING FUND (Cont'd.)

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
35181	08/21/08	NATIONAL FUEL OIL, INC.	24	2,774.96
35182	08/21/08	NJ STATE LEAGUE OF MUNIC.	18	18.00
35183	08/21/08	O'JOHNNIES, INC.	13	273.56
35184	08/21/08	ONE CALL SYSTEMS, INC.	32	83.07
35185	08/21/08	PAULUS, SOKOLOWSKI & SARTOR	06	3,469.00
35186	08/21/08	POLYDYNE INC.	23	18,933.60
35187	08/21/08	PRECISION ELECTRIC MOTOR WORKS	32	77.00
35188	08/21/08	PSE&G COMPANY	19/42	385.19
35189	08/21/08	PURCHASE POWER	48	418.99
35190	08/21/08	QC LABORATORIES	41	4,892.00
35191	08/21/08	RAHWAY VALLEY SEWERAGE AUTH.	01/02	175,229.69
35192	08/21/08	RARITAN SUPPLY COMPANY	32	1,991.67
35193	08/21/08	RELIABLE ELECTRIC MOTOR REPAIR	32	3,173.93
35194	08/21/08	MICHAEL ROGERS, SR.	31	23.97
35195	08/21/08	PETTY CASH	14	173.47
35196	08/21/08	SAFETY-KLEEN CORP.	32	274.93
35197	08/21/08	SID HARVEY INDUSTRIES	32	1,122.51
35198	08/21/08	SPECTRASERV INC.	26	5,393.72
35199	08/21/08	STAR LEDGER	12	133.50
35200	08/21/08	STATE OF NEW JERSEY	02	702.05
35201	08/21/08	THE BANK OF NEW YORK MELLON	09	3,000.00
35202	08/21/08	TREASURER - STATE OF NJ	40	54.00
35203	08/21/08	TURTLE & HUGHES INC.	32	5,396.37
35204	08/21/08	UNITED PARCEL SERVICE	48	99.06
35205	08/21/08	US FILTER/SIEMENS WATER TECH.	40	770.00
35206	08/21/08	USA BLUEBOOK	32/43	1,088.21
35207	08/21/08	VERIZON	11/30	845.15
35208	08/21/08	VERIZON WIRELESS	11	634.36
35209	08/21/08	VITEC CORPORATION	32	1,120.00
35210	08/21/08	WEARGUARD/ARAMARK	32	158.45
35211	08/21/08	WEINER LESNIAK LLP	07/08	52,236.73
35212	08/21/08	WELCO CG 921-GTS-WELCO	32/40	322.28

Total Operating Fund Checks: 112

Total Void Checks: 0

Total Amount Void: \$0.00

Total Amount Paid: \$1,201,809.44

Total All Checks: 120

Total Void Checks: 0

Total Amount Void: \$0.00

Total Amount Paid: \$3,045,134.32

OPERATING FUND	8-01	\$1,270,588.18
BUILDING & EQUIPMENT FUND	8-02	\$1,679,975.34
CONSTRUCTION FUND	8-04	<u>\$94,570.80</u>
TOTAL ALL FUNDS:		\$3,045,134.32

Open the Floor to the Public

The Vice Chairman asked if there was anyone from the public who wished to address the Board. No one did.

Closed Session

Mr. Sefranka made a motion to go into closed session at this time, 8:12 p.m., to discuss matters related to pending and/or anticipated litigation based on Attorney/Client privilege. The motion was seconded by Mr. Chin and unanimously approved by the members present. Messer's Luban, Mazzarella, Murphy and Venturo were absent.

Mrs. Papen made a motion to return to the regular order of business at this time, 8:22 p.m. The motion was seconded by Mr. Sefranka and unanimously approved by the members present. Messer's Luban, Mazzarella, Murphy and Venturo were absent.

Return to Regular Order of Business

The Vice Chairman asked the respective Commissioners to move the necessary items as were discussed in Closed Session.

Mr. Sefranka made a motion, seconded by Mrs. Papen, to authorize Counsel to file the necessary appeal with the Superior Court of NJ because of the inaction on the part of the Office of Administrative Law and NJDEP. The motion was unanimously approved by the members present. Messer's Luban, Mazzarella, Murphy and Venturo were absent.

Ms. Abram made a motion, seconded by Mr. LoForte, authorizing Counsel to make an offer to Mr. Leonardis in an amount of \$10,000.00 for an easement on his property located in the Township of Clark. Said easement went undocumented since 1929 when the RVSA Trunk Sewer was originally built. The motion was unanimously approved by the members present. Messer's Luban, Mazzarella, Murphy and Venturo were absent.

Adjournment

As there was no further business, on motion of Mrs. Abram, seconded by Mr. LoForte, the meeting adjourned at 8:24 p.m. The motion was unanimously approved by the members present; Messer's Luban, Mazzarella, Murphy and Venturo were absent.

Mrs. Papen thanked Mr. Lombardo for running the meeting as she was unable to be at the meeting, but attended via conference call.

Robert J. Materna, Secretary-Treasurer

JG/jg
Attachments