

**RAHWAY VALLEY SEWERAGE AUTHORITY**

**Summary of Minutes of  
Regular Meeting held May 21, 2009**

- Minutes  
None.
- Communications  
Two OPRA Requests.
- Treasurers Reports  
The Treasurer Reports for the month of March and April were received.
- Executive Director  
Sewer Connections and the status of various contracts.
- Consulting Engineer  
Overview of contracts; flow rights and user charge reports.
- Construction Consultant  
Overview of contracts.
- Counsel  
Overview of legal matters.
- Committees  
Reports were given by the Engineering and Finance, Insurance, Personnel, Retreat and Public Relations Committees.
- Unfinished Business  
None.
- New Business  
Approved the following: Security Purchases; 2008 Audit Report, Appointment of Insurance Brokers of Record, Rejected SMAC Corp. on Contract #161.
- New Business (Cont'd.)  
Approved the following expenditures: Amend Contract #105-C with CCMS in an amount of \$41,771.35; Amend Contract #105-A/E with PS&S in an amount of \$23,300.00; Award Contract #105W to HM&M at hourly rates ranging between \$81.00 and \$215.00; Amend Contract #160-A/E with PS&S in an amount of \$8,600.00; Award Contract #0925 to R.F. Stumpf Assoc. in an amount of \$5,000.00; Amend Contract #0911 with the Spi Group in an amount of \$10,000.00; Awarded Contract #161 to Spectraserv of South Kearney in an amount of \$973,800.00; and approved C.O. #11 on Contract #105 for the purchase and installation of 2 Diesel Gen Sets at a cost of \$1,979,314.00.

**RAHWAY VALLEY SEWERAGE AUTHORITY**

**Summary of Minutes of (Cont'd.)**  
**Regular Meeting held May 21, 2009**

-	Bills & Claims		
	Operating Fund	9-01	\$1,171,448.91
	Building & Equipment Fund	9-02	\$1,115,432.56
	Construction Fund	9-04	<u>\$ 3,342.94</u>
	Total All Funds:		\$2,290,224.41

**RAHWAY VALLEY SEWERAGE AUTHORITY**

**Regular Meeting Minutes – May 21, 2009**

The Chairman called the meeting to order at 7:30 p.m.

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

In accordance with the requirements of the Open Public Meeting Act, State of New Jersey, adequate notice of this meeting has been provided by the inclusion of the date, time and place in a Notice which was forwarded to the Star Ledger, the Home News Tribune and was filed with the Clerk of each of the eleven member municipalities on February 16, 2009.

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.

**Roll Call**

The following members were present:

Maria A. Abram	for the Township of Springfield
Allen Chin	for the Town of Westfield
Richard LoForte	for the Borough of Kenilworth
Charles P. Lombardo	for the Borough of Garwood
* Robert G. Luban	for the Township of Woodbridge
Frank G. Mazzarella	for the Township of Clark
James J. Murphy	for the Township of Cranford
Joan Papen	for the Township of Scotch Plains
Paul M. Sefranka	for the City of Rahway
Attilio S. Ventura	for the Borough of Roselle Park

\* Arrived after roll call, at 7:42 p.m.

The following member was absent:

Rene Dierkes	for the Borough of Mountainside
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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, General Counsel

The following were also present (Cont'd.):

Robert Butvilla	Suplee, Clooney & Co.
Brian Pisano	SMAC Corp.
Robert Valent	RVSA Superintendent
Dan Ward	RVSA Maintenance Manager
Wayne Baker	The Westfield Leader

### **Suspend the Regular Order of Business**

The Chairman stated that a representative of SMAC Corp. was present for a Hearing with the Board regarding their bid for work on Contract #161. The Chairman asked for a motion to Suspend the Regular Order of Business.

Mr. Sefranka made a motion, seconded by Mrs. Abram, to Suspend the Regular Order of Business. The motion was unanimously approved.

The Chairman asked Mr. Wancho of PS&S to first summarize his report with regard to his findings on the Bid received from SMAC Corp. on Contract #161.

#### **Mr. James Wancho (PS&S – RVSA Consulting Engineer)**

“As you all may recall we received bids recently on Contract #161, for the Rehabilitation of the Sludge Storage Tanks. We received three bids, the low bidder was SMAC Corp. who was several hundred thousand dollars lower than the second lowest bidder and also several hundred thousand dollars lower than the Engineers Estimate. The bid documentation indicated that it was administratively okay; however, we noted the fact that the contractor had limited experience with the type of work required, in conjunction with the fact that the bid price was much lower than our estimate.

We called the contractor into a meeting to discuss his bid and question the contractor. The meeting was attended by two representatives of the contractor as well as a representative of a subcontractor ATS, who apparently will handle the sludge disposal aspect of the contract. We questioned the contractor regarding various cost items and it appeared that one of the main differences in our estimate as well as the contractors numbers were related to the painting aspect of the work. With that said, based on what we found out at the meeting, we had even further concerns. We did receive follow-up documentation from the contractor regarding the intended subcontractor that the contractor was speaking to regarding the painting. A day or so after that, the proposed painting subcontractor arrived at the site to look at the job and wanted the Authority to lower the tanks so he could evaluate the job. This was not feasible. Based on all of this activity, we did not feel comfortable with the contractor and therefore, recommended rejection of their bid. We produced our bid report which was transmitted to the contractor by General Counsel, for their review and the contractor was invited to come before the board to discuss his bid and PS&S’s bid report.”

The Chairman asked the representative of SMAC to identify himself and present his case.

#### **Mr. Brian Pisano**

“I am Brian Pisano the Project Manager of SMAC Corp. located in Montvale, NJ. We

understand that our bid is several hundred thousand dollars less than the next bid. We have an itemized bid here from our subcontractors backing up what our costs are, and believe that our costs are lower because we have lower overhead and do a lot of work in house. We have reviewed our numbers with our subcontractors and our overhead and profit; we have checked the drawings and specifications and found no errors or omissions on our part.”

Mr. Wancho

“We did meet with the contractor’s representatives previously and noted that Mr. Pisano was not one of the people who attended that meeting.”

Mr. Pisano

“I am new with the company.”

Mr. Wancho

“At that meeting, there was some discussion regarding the sludge disposal aspect of the project and it was intimated to us that the sludge was going to be hauled to South Carolina and there was no indication who the transportation contractor was going to be, only that it was 40 or so truckloads to South Carolina at \$0.60 cents per gallon. That subcontract is somehow related to the first person who showed up to the meeting, from a company called ATS. It appeared to us that he did not really know why he was at the meeting, because he wanted to present us a quotation for sludge disposal.

That did not give us a great level of comfort that there was a lot of thought given to the disposal of the sludge. Secondly, there was a discussion regarding whether the sludge was hazardous or non-hazardous. The contract documents included sludge data, which to anyone in this industry – both on the transportation side and the disposal side, would understand that it is not hazardous. So that also didn’t give us a level of comfort. The subcontractor that showed up at the meeting was not listed in the bid, nor was the painting subcontractor, who you obviously spoke with after the meeting to try to obtain quotations that would somehow fit your budget.

It was for all those reasons that our comfort level was not there. The experience of SMAC, while we checked your reference, and you have good references, but for replacing windows and doors, doing asbestos work, which are not sludge related tank cleaning jobs with the potential of doing structural steel work in the tank. So, nothing we heard improved our level of comfort and that is why we are recommending that the Authority reject their bid.”

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

When we called the contractor into the meeting, the contractor stated that “our number was this and our number was that” - I forget which gentlemen it was.”

Mr. Pisano

“Was it Zlate Geleski?”

Mr. Wancho

“Yes and I believe he was coming up with these numbers off the top of his head. The second gentlemen in the room indicated that their bid was going to be \$950,000.00 but made the change

at the last minute.

When we all walked out of the meeting, it was our feeling that SMAC was going to withdraw their bid.” Mr. Wancho asked “what changed your mind after the meeting - was it finding a painting contractor that could meet your budget or what?”

Mr. Lombardo

“Do you wish to comment on anything our Engineer said in his presentation?”

Mr. Pisano

“There was a great deal of shopping around for subcontractors, I know that they spent a bit of time on that and to arrive at the numbers they have. They reviewed the contract drawings and specifications and had the subcontractors they needed.”

Mr. Hak

“At the time of the bid, SMAC had not identified their painting subcontractor.”

Mr. Pisano

“At that time, I’m not sure. I was not with the company at that time; I was only hired two weeks ago.”

Mr. Wancho

“I can answer the question. Based on what was told to us at the meeting - the intent was for you to do the painting. That is what was told to us. Going further, there is some brick work that has to be done. Is that going to be done by SMAC or do you have a subcontractor for that work?”

Mr. Pisano

“I think that SMAC would do that.”

Mr. Wancho

“Then you have experience putting that type of brick face on?”

Mr. Pisano

“Yes.”

Mr. Hak

“Mr. Wancho is there any structural steel work that needs to be done?”

Mr. Wancho

“We will only know that when we take the tanks down, but based on our observations of the digesters, more than likely. There is an allowance item in the contract to cover those repairs.”

Mr. Hak

“Would SMAC be doing the structural steel work?”

Mr. Pisano

“No, a subsidiary would do that.”

Mr. Hak

“You haven’t identified a structural steel work subcontractor.”

Mr. Pisano

“It is a subsidiary of SMAC called ATS Contracting Inc. who will be doing that work”

Mr. Wancho

“Some of SMAC’s references were that firm [ATS], if they are a subsidiary of you, and they were your references? So I find that interesting.”

You have listed ATS Contracting Inc. as your structural steel subcontractor and Pel-El as the electrical sub.”

Mr. Lombardo

“How long has SMAC been in business?”

Mr. Pisano

“I believe it’ 15 years.”

Mr. Lombardo

“What is your background, before you were hired by them?”

Mr. Pisano

“Commercial construction and wastewater.”

Mrs. Papen

“Your structural steel subcontractor, what’s their background, what jobs have they done?”

Mr. Pisano

“I believe big box construction including a Wal-Mart, and a Kohl’s.”

Mrs. Papen

“Have they done anything like what is comparable to here?”

Mr. Pisano

“I’m not sure.”

Mr. Chin vs. Mr. Pisano

Mr. Chin “What is your position with the company?” Mr. Pisano “Project Manager” Mr. Chin “Does your company have a President?” Mr. Pisano “Yes.” Mr. Chin “A Vice President?” Mr. Pisano, “That I don’t know.” Mr. Chin “A Treasurer?” Mr. Pisano “I’m not a hundred percent sure.” Mr. Chin “A Secretary?” Mr. Pisano “I’m not a hundred percent sure.” Mr. Chin “Any Vice President.” Mr. Pisano “I believe it’s the President – just one person.” Mr. Chin “Do they have a manager of sales.” Mr. Pisano “No not that I know of.” Mr. Chin “I’m curious, you are two weeks with the company and they sent you to represent them at a hearing. Can you tell me how you were picked?” Mr. Pisano “My boss presented this to me, gave me the information, I

spoke with people at SMAC about it and I was to be here." Mr. Chin "So your boss is who?" Mr. Pisano "Zlate Geleski, he is the President."

Mr. Wancho

"Mr. Geleski is also, the Vice President, Secretary and Treasurer, per the bid documents."

Mr. Ventura vs. Mr. Pisano

Mr. Ventura "There has to be two separate officers in any corporation." Mr. Ventura asked "what state are you incorporated in?" Mr. Pisano "New Jersey". Mr. Ventura "the State of NJ is noted for its corporate structures, its so well noted that people try to get out of it".

Mr. Mazzarella vs. Mr. Pisano

Mr. Mazzarella "How many employees does you company have". Mr. Pisano "20". Mr. Mazzarella "In the 15 years experience while your business was functioning, has your company been involved with any rehabilitation of sludge storage tanks" Mr. Pisano "It is my understanding no." Mr. Mazzarella "Why should we, in your opinion, approve and award this contract to your firm." Mr. Pisano "Because we reviewed the contract documents and specifications with all our subcontractors, we spoke to them many times and reviewed the scope of work with each one of them and feel that we can do the work that is outlined in the documents."

Mr. Mazzarella

"Counsel, was the contract deficient in any way."

Mr. Hak

"From a legal perspective, no, and that is why we are having this hearing. You weren't here last week, but under the local contracts law, if there is a legal deficiency with respect to any of the documentation, you can reject a bid without having a hearing. But there was not. Instead what we had was a report from the Consulting Engineer, raising questions with respect to the contractor's ability under the contract. In that instance, the law requires that you provide the contractor a hearing which is what we are doing now to determine whether or not the contractor is responsible enough or has the capacity to perform the contract work."

Mr. Mazzarella

"With that said, I find it difficult that you as an employee just started and they threw this on your lap and it seems to me that the Principal of your firm should have come before us to justify that the company can accomplish these tasks."

Mr. Ventura vs. Mr. Pisano

Mr. Ventura "What are your qualifications?" Mr. Pisano "I have a degree in architecture and my educations background is in Engineering and construction management. I do not have a PE license." Mr. Ventura "What discipline in architecture did you study." Mr. Pisano "It wasn't an exact discipline of architecture it was an umbrella of architecture styles and design." Mr. Ventura "Have you had field experience?" Mr. Pisano "Yes." Mr. Ventura "How many years?" Mr. Pisano "Two years." Mr. Ventura "Well we all have to start somewhere."

Mr. Chin vs. Mr. Pisano

Mr. Chin "From what university?" Mr. Pisano "Norwich." Mr. Chin "Norwich Connecticut?" Mr. Pisano "No, it's a small college in the middle of Vermont." Mr. Chin "What degree?" Mr. Pisano "I have a BS in architectural studies." Mr. Chin "Is that school accredited through out the country?" Mr. Pisano "Yes." Mr. Chin "How many years did you attend?" Mr. Pisano "5 years." Mr. Chin "You had two years experience, how many total years of experience?" Mr. Pisano "Four." Mr. Chin "What field work?" Mr. Pisano "Residential housing, tenant fit-outs, when I was with Spectraserv, there was a \$35 million dollar upgrade of the Sayreville facility." Mr. Chin "Are they putting you on as project manager of this job?" Mr. Pisano "No, not for this job." Mr. Chin "Who do they have as the project engineer for this job." Mr. Pisano "It's the company President."

Mr. Wancho

"As someone who worked for Spectraserv, if somebody told you that they were going to get rid of sludge by taking it down to South Carolina, would you think that was a good idea?"

Mr. Pisano

"When I was at Spectraserv we were contemplating doing something like that. We were going to do sludge work in that area as well as Washington DC so you can take sludge anywhere."

Mr. Venturo

"Is there a requirement to be bonded for this job?"

Mr. Wancho and Mr. Hak both responded "Yes".

Mr. Venturo

"Did you have any problem with getting bonded?"

Mr. Pisano

"No."

Mr. Murphy vs. Mr. Pisano

Mr. Murphy "How many in field projects have you worked on with SMAC?" Mr. Pisano "None yet." Mr. Murphy "You've never seen their work or seen them set up?" Mr. Pisano "No."

Mr. Lombardo asked if anyone else had any questions or comments. As no one did, he thanked Mr. Pisano for coming before the Board and explaining his position. Mr. Pisano asked what happens next. Mr. Hak stated that the Board will go into Executive Session this evening and after that, will make a decision as to whether the contract should be awarded to SMAC or one of the other bidders. He added then you will be notified accordingly. Mr. Pisano thanked the Board and left the meeting.

The Chairman stated that also present this evening is Mr. Robert Butvilla of Suplee, Clooney Company, the Authority's Auditor to discuss the 2008 Audit Report which was prepared by their firm. A copy of the Audit Report was previously distributed to the Commissioners for review.

Mr. Butvilla stated that the 2008 Audit is “Unqualified” which is good. He added that there are not “Comments” or “Recommendations”. He stated that the staff does a good job, they keep excellent records and are very helpful during the audit process.

Mr. Mazzarella asked why there were no “Comments” or “Recommendations” – and asked if they found nothing wrong during the audit process. Mr. Butvilla stated that there wasn’t anything that they found that need to be noted in the “Comments” or “Recommendations” sections.

After brief discussion, Mr. Butvilla thanked the Board for the opportunity to work for the Authority and left the meeting.

Mr. Sefranka made a motion, seconded by Mr. Murphy, to return to the Regular Order of Business. The motion was unanimously approved.

### **Regular Order of Business**

#### **Approval of Minutes**

The minutes of the April 16, 2009 meeting have not been distributed to the Commissioners and therefore will not be acted on at this time.

#### **Communications**

- An OPRA Request was received from Porzio Bromberg & Newman regarding the JCO and related documents.
- An OPRA Request was received from Porzio Bromberg & Newman regarding the Assessments.

#### **Report of Treasurer**

The Treasurer’s Reports for the month of March and April 2009 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 4/12/09 and 5/7/09. A copy of the log sheet with additional information related to these applications has been distributed for your reference:

<u>Number</u>	<u>Date</u>	<u>Applicant</u>	<u>Municipality</u>
1104-09-RW	04/21/09	White Castle Systems Inc.	Rahway
1105-09-RW	04/23/09	James Taylor	Rahway

1106-09-CL	04/24/09	Slawomir Polchlopek	Clark
1107-09-WB	04/30/09	Siemens c/o CBRE	Woodbridge
1108-09-CL	05/07/09	Lettini & Sons	Clark
1109-09-WB	05/07/09	HBR LLC	Woodbridge
1110-09-WB	05/07/09	HBR LLC	Woodbridge
1111-09-WB	05/07/09	HBR LLC	Woodbridge
1112-09-SF	05/07/09	Edgemount Development	Springfield

### Monthly Reports

The following reports were received, distributed to the Commissioners and discussed at the Engineering Committee Meeting:

- PS&S Monthly Engineering Report
- CCMS - Contract #105 – Cogeneration Facility
- CCMS - Contract #155 – WWTP Upgrade
- Weiner Lesniak – Monthly Update
- RVSA Contractors & Engineers Claims for Payment
- RVSA Purchase Orders in Excess of \$1500.
- IPP Monthly Report
- Monthly Operations Report

The following updated reports were received and will be discussed this evening.

- PS&S Monthly Report
- Weiner Lesniak – Monthly Update

### Contract #105-C Construction Oversight Services - CCMS

Contract Amendments are being processed monthly for work being performed by CCMS and PS&S on Contract #105-C. CCMS's current invoice (Amendment #15) is in the amount of \$41,771.35 total amended contract amount of \$2,492,143.41. This was discussed at the Engineering Committee Meeting and a motion is on the agenda under New Business.

### Contract #155-C Construction Oversight Services - CCMS

Contract Amendments are being processed monthly for work being performed by CCMS (PS&S, M&E and CDM) on Contract #155-C. A tabulation of costs, prepared by the Executive Director was distributed to the Commissioners.

A meeting was held earlier this evening with the Consultants and the Engineering Committee. Further discussion and recommendation by the Engineering Committee is required.

### Contract #105-A/E Engineering Services – PS&S

PS&S submitted a request for additional monies for their work on this contract #105-A/E, this amendment is specifically related to the Title V Air Permit Modifications. PS&S's current request (Amendment #9) is in the amount of \$23,300.00 total amended contract amount of \$1,600,979.00. This was discussed at the Engineering Committee Meeting and a motion is on

the agenda under New Business.

Contract #158 – Outfall Line Repairs

Montana Construction Corp. executed the documents and a pre-construction meeting has been scheduled. The Consulting Engineer will report further on the status of this contract.

Contract #159 – CSP - Chemical Handling and Feed Systems

A&A Industrial has begun work on this contract. The Consulting Engineer will report further on the status of this contract.

Contract #160-A/E – CSP – Emergency Outfall

PS&S was requested to do a feasibility study (\$17,000) related to utilizing Outfall DSN 003 as an emergency outfall. That study was performed during the recent Stipulation and Settlement negotiations with the NJDEP. Based on the agreement reached with the NJDEP, the Authority is going forward with the modifications to DSN 003. PS&S has submitted a request for the design services in an amount of \$8,600.00, total amended contract amount of \$25,600.00. This was discussed at the Engineering Committee Meeting and a motion is on the agenda under New Business.

Contract #161 – Rehabilitation of Sludge Storage Tank Covers, Control Bldg. and Pumping Station

A Request For Bids was published in the Star Ledger and posted on the Authority's website. Seventeen vendors purchased bid packages for this contract and three bids were received on April 29, 2009 as noted below:

<u>Company</u>	<u>Amount</u>
SMAC Corp. Paterson, NJ	\$672,000.00
Spectraserv, Inc. S. Kearney, NJ	\$973,800.00
Scafar Contracting, Inc. Newark, NJ	\$1,113,500.00

The documents were sent to the Consulting Engineer and Counsel for review. Recommendations were received and based on the recommendation of the Consulting Engineer, Counsel advised that a hearing be held for the low bidder regarding his ability to execute the work on this contract. The hearing was held earlier in this meeting and the matter will be discussed further in closed session.

### Insurance Archivist

Weiner Lesniak has recommended that the Authority engage the services of an Archivist to locate certain insurance policies, some of which are decades old, naming the Authority as an insured so that the Authority may file claims for coverage in connection with certain litigation entitled New Jersey Department of Environmental Protection et als. v. Occidental Chemical Corporation et. als., Docket No. ESX-L-9868-05, (Passaic River Litigation) in which the Authority has been named a third party defendant. The proposal reflects an hourly rate of \$75 and blended hourly rate of \$65 and an estimated total of \$5,000.00. This was discussed at the Engineering Committee Meeting and a motion is on the agenda under New Business.

### Public Relations Campaign

The Public Relations Chairman requested that further discussion among the Commissioners be held regarding the PR Campaign which was presented to the Board by the Spi Group at the April meeting.

Mrs. Papen provided the Commissioners with a copy of the Scotch Plains Newsletter which had an article on this Authority and suggested that each municipality incorporate an article into their own town newsletter in order to get information about the Authority out to the public.

This was discussed further at the Engineering Committee Meeting, and Mr. Sefranka suggested that action the website be updated and that the Public Relations firm prepare articles for dissemination to the newspapers that serve our local communities. Action 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 April 11, 2009 through May 18, 2009.

### JCO Compliance

PS&S finalized the first quarter report and transmitted it to the JCO mailing list on April 29th.

### 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. General Counsel sent a letter to the contractor rejecting his claims and instituting liquidated damages. Counsel received a letter from Marvec's attorney transmitting a report from a consultant relative to the claims; PS&S also received a letter from the Contractor with a revised claim summary. PS&S has reviewed the report and letter and are currently working on a response.

### Air Permitting

PS&S has continued to track and provide responses to NJDEP questions and comments on the

Title V Air Permit Modification Application and supplemental response submittals previously prepared and submitted to NJDEP by PS&S on behalf of the Authority (the Application was for modifying certain permit required monitoring and record-keeping requirements and addressing some potential variability in digester gas characteristics).

At the request of the Authority, PS&S recently completed the preparation and submittal of a major supplement to the current Air Permit Mod Application under review by NJDEP in order to obtain a Shakedown/Burn-in Period exemption from the NJDEP requirement that catalyst controls be operated at all times that the Cogen engines are operating, and to obtain exemptions from numerous other NJDEP monitoring and record-keeping requirements during Shakedown/Burn-in Period. In addition, PS&S will be providing assistance to the Authority regarding the preparation of the required USEPA notification and information submittal for the startup of Cogeneration/Sludge Drying Facility's Thermal Hot Oil Heater; and PS&S will also continue to provide assistance to try to obtain relief from the USEPA requirement to maintain detailed records of every startup & shutdown etc. of the Thermal Hot Oil Heater.

#### 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 engine nos. 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 routine exercise of the stand-by generator sets.

#### Contract #158 - Outfall Repair

Contract was awarded to the apparent low bidder Montana Construction based on discussions at the May Board Meeting. A Notice of Award was issued on April 29th. The contractor has submitted signed contracts and his bond and insurance. These are under review. A pre-construction meeting was held on May 18th to discuss the administrative requirements of the contract. Engineers from Najarian Associates, representing Middlesex County, were at the meeting to discuss any site limitations related to the adjacent site contamination. A copy of the site Health and Safety Plan was provided. Based on these discussions it appears that the logistics will be able to be worked out. PS&S intends to issue the Notice to Proceed, effective Tuesday, May 26th.

#### Contract #159 - Chemical Feed System Improvements

PS&S is currently reviewing Contractor submittals and several RFI's. Coordination efforts associated with Contract #155 regarding the furnishing of the chemical feed equipment is ongoing. In addition work has begun in both the Headwork's and Pump and Blower Buildings; work includes demolition, pipe supports and pipe installation.

Contract #160 - Emergency Outfall Feasibility Study

EE Cruz is currently working on the 003 chamber modifications. PS&S has reviewed the shop drawings and is coordinating with CCMS.

Contract #161 - Rehabilitation of the Sludge Storage Tank Covers, Sludge Storage Tank Control Building and Sludge Pumping Station

Bids were received for this contract on April 29th. Three bids were received, with a range of bids \$672,000 to \$1,113,500. The apparent low bidder is SMAC Corp. PS&S is currently reviewing the bids and following up on the apparent low bidder's references. A meeting was held at the Authority offices on May 8th with SMAC Corp. to discuss his bid pricing and qualifications. Based on the discussions regarding the bid pricing and qualifications that took place at the May Engineering Committee Meeting PS&S finalized the bid report. General Counsel issued a letter to SMAC Corp requesting their attendance at a hearing scheduled for May 21st to discuss the findings and recommendations of the PS&S Bid Report.

General Consulting

PS&S provided assistance to the Secretary-Treasurer preparing presentation materials for the annual assessments.

User Charge and Flow Rights Reports

The Authority continues to collect additional data to review the composite sampler data that does not appear to be normal. PS&S will continue to work with the Authority staff to assist with the data evaluation. PS&S recommends that we continue to evaluate the data and hold off on finalizing the reports. PS&S issued the Flow Rights reports for February and March at the April Board Meeting.

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 April 14, 2009 through May 18, 2009.

CSP Improvements & related issuesContract #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.

This office has received a Notice of Claim from the contractor on behalf of its electrical subcontractor which has been reviewed by the Authority and its consultants. A response has

been submitted to the contractor setting forth the Authority's position with respect to same.

### 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 have conferred with the Executive Director and the construction oversight engineer relative to the issue of liquidated damages versus the amount of monies left in the contract. On March 5, 2009 we attended a meeting with the contractor in order to discuss this issue as well as other outstanding issues relative to the contract. Further details regarding this item may be discussed in Executive Session.

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.

Finally, the Authority and the contractor have been named as defendants in a lawsuit filed by Caterpillar and Foley Power Systems ("CAT/Foley") seeking to repossess the temporary diesel generators that were installed by CAT/Foley on the Authority's property pursuant to an agreement executed between them and the contractor. The Authority's responsive pleading setting forth its Answer, Counterclaim and Crossclaim was filed on April 9, 2009. On May 11, 2009 the Authority filed its Answer to the contractor's Crossclaim. The case has been referred to mediation by the Court. This office has also recommended the retention of an expert witness in the area of engineering for purposes of addressing the various issues in this case. A resolution approving a contract for such services will be on the agenda for the May 21st Board meeting. This matter was discussed in Executive Session at the Engineering Committee meeting of May 14, 2009.

JCO: We have reviewed the Quarterly Report that was prepared by PS&S. We are also in the process of preparing an amendment to the JCO in order to reflect the extension of time for the permanent closure of DSN 004 provided for in the Stipulation of Settlement that has been executed with NJDEP with respect to the NJPDES permit appeal.

### Miscellaneous

#### Trunk Sewer conflicts

We have prepared an agreement with the owner of a property located in Cranford on which the Bank of America proposes to build a branch for purposes of establishing the property owner's responsibilities with respect to an encroachment on the Authority's trunk sewer line. A meeting was held on March 11, 2009 with the property owner and his counsel in order to discuss the proposed easement agreement. On May 6, 2009 we received a revised easement agreement from the property owner's counsel. We are currently preparing a response to the property owner's requested changes. We have also prepared a similar agreement with the Breathless Go-Go bar in

Rahway regarding a similar issue. Finally, the Easement Agreement with respect to the Leonardis property in Clark has been executed by the property owner and sent to the Union County Clerk's office for recording.

#### 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. By letter dated September 4, 2008 the Contractor made a formal request for an extension of time from June 11, 2007 to December 11, 2007, a time period of 153 days. We prepared a response to the Contractor's request for an extension of time on behalf of the Executive Director. By letter dated October 24, 2008 the contractor expressed its desire to continue with its delay claims. On April 9, 2009 this office received an expert's report from the contractor's counsel purportedly supporting its three (3) claims. The report has been forwarded to the Authority and its consultants for review and response.

#### NJDEP v. Occidental Chemical Corp. et al. (Passaic River Litigation)

The RVSA and all of its constituent municipalities have been named as Third Party Defendants by the original defendants to this lawsuit. The original lawsuit was filed in 2005 by NJDEP against several chemical companies that had an interest in a piece of property located in Newark alleging that the companies had polluted the Passaic River with various hazardous chemicals including DDT and TCDD, some of the most hazardous dioxins known to man. The Complaint alleges that as a result of the defendants practices of dumping these chemicals into the river between 1940 and 1971 the entire Newark Bay Complex, defined as the lower 17 miles of the Passaic River, Newark Bay, the lower reaches of the Hackensack River, the Arthur Kill, the Kill van Kull, and adjacent waters, have become polluted and seeks to have the original defendants pay for the cost of the clean up. The original defendants in their Third Party Complaint allege that approximately 73 public entities such as various municipalities and sewerage authorities, including the RVSA and its constituent municipalities, should share in the liability for the cleanup due to their alleged practices of discharging hazardous chemicals into the Newark Bay Complex.

We are in the process of evaluating the Third Party Complaint for purposes of filing an Answer to same. In addition, on April 15, 2009 this office arranged to have a meeting among counsel and administrators to the Authority's constituent members in order to further discuss the impact of the litigation on the Authority and its member municipalities. It was decided at the meeting

that this office would serve as lead/liaison counsel to those constituent municipalities not being represented by a joint insurance fund. Additionally, we are recommending the services of an archivist for purposes of locating historic insurance policies naming the Authority as an insured thereby allowing the Authority to claim coverage for defense and indemnification. A resolution approving a contract for such services will be on the agenda for the May 21st Board meeting.

#### Miscellaneous Contracts

We have reviewed the bid documents and made recommendations for the Authority's consideration with respect to the following contracts:

Contract #158- Outfall Line Repairs

Contract #161- Rehabilitation of Sludge Storage Tanks

Based on concerns raised by the Consulting Engineer, a hearing has been scheduled for the May 21st Board meeting with respect to the responsibility of the low bidder on Contract # 161.

#### Roselle Park Mt. Laurel Litigation

The Authority recently was notified that it may be made a party to a lawsuit for purposes of compelling it to accept a small portion (not more than 20,000 gpd) of the expected wastewater from a proposed affordable housing development in Roselle Park. This office has consulted with the Executive Director and has been in contact with counsel for the developer for purpose of resolving this issue in order to avoid the expense of needless litigation.

#### Committee Reports

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

##### Engineering Committee (Allen Chin, Chairman)

Mr. Chin stated that an Engineering Committee Meeting was held May 14, 2009, at which time several items were discussed. Items that require action are on the agenda under New Business.

A meeting with the Consultants for Contract #155 was also held earlier this evening. This matter should be discussed further in closed session, if necessary.

##### Finance Committee (Joan Papen, Chairman)

Mrs. Papen stated that a Finance Committee Meeting was held earlier this evening at which time the Bills and Claims were reviewed and the 2008 Budget Tracking Report were discussed. The 2008 Audit Report was also discussed, earlier in this meeting. Action is on the agenda under New Business and Bills and Claims.

##### Insurance Review Committee (J. Murphy, Chairman)

Mr. Murphy stated that an Insurance Review Committee Meeting was held on May 14, 2009 at

which time the Brokers of Record were discussed. Action is on the agenda under New Business.

Legal Committee (Frank Mazzarella, Chairman)

No report.

Personnel Committee (Robert Luban, Chairman)

Mr. Luban stated that a Personnel Committee Meeting will be held on June 11, 2009 prior to the Engineering Committee Meeting.

Public Relations Committee (Paul Sefranka, Chairman)

Mr. Sefranka stated that the Public Relations Committee discussed the PR Campaign which was recommended by the Spi Group, at the Engineering Committee Meeting. Action is on the agenda under New Business.

Retreat Committee (Allen Chin, Chairman)

Mr. Chin stated that a Commissioners Retreat was held on Saturday, May 16, 2009 at the Westwood in Garwood, NJ. Seven of the Commissioners as well as Mr. Brinker, Mr. Materna and Mrs. Grimes attended.

Security Committee (Frank Mazzarella, Chairman)

No report.

Sludge Management Committee (Attilio Venturo, Chairman)

No report.

**Unfinished Business**

Mr. Lombardo stated that the Retreat held this past Saturday was well attended and added that the Staff and Commissioner Chin did a great job on the presentations.

**New Business**

The following Resolution #09-37 was offered by Mrs. Papen, on motion of Mrs. Papen, and seconded by Mr. LoForte. The resolution was approved by those present with the exception of Mr. Chin who abstained. Mr. Dierkes was absent.

RESOLUTION #09-37

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 August 18, 2009:

<u>Amount</u>	<u>Rate</u>	<u>Bank</u>
\$1,005,664.83	1.23%	The Town Bank, Westfield, NJ

The following Resolution #09-38 was offered by Mrs. Papen, on motion of Mrs. Papen, and seconded by Mr. Chin. The motion was approved by those present. Mr. Dierkes was absent.

RESOLUTION #09-38

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of each local authority to cause an annual audit of its accounts to be made; and

WHEREAS, the annual audit report for the fiscal year ended December 31, 2008, has been completed and will be filed with the State of New Jersey, Department of Community Affairs, Division of Local Governments Services, Trenton, New Jersey pursuant to N.J.S.A. 40A:5-15; and

WHEREAS, N.J.S.A. 40A:5A-17 requires the governing body of each Authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled "General Comments" and "Recommendations", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

WHEREAS, the members of the governing body have received the annual audit and have personally reviewed the annual audit, and have specifically reviewed the sections of the annual audit report entitled "General Comments" and "Recommendations" in accordance with N.J.S.A. 40A:5A-17.

NOW, THEREFORE, BE IT RESOLVED, that the governing body of the Rahway Valley Sewerage Authority hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended December 31, 2008, and specifically has reviewed the sections of the audit report entitled "General Comments" and "Recommendations" and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED, that the Secretary-Treasurer of the Rahway Valley Sewerage Authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution; and

BE IT FURTHER RESOLVED, that a Summary Synopsis of the Audit Report be published in accordance with law.

The following Resolution #09-39 was offered by Mr. Murphy, on motion of Mr. Murphy, and seconded by Mr. Chin. The motion was approved by those present. Mr. Dierkes was absent.

RESOLUTION #09-39

WHEREAS, the Rahway Valley Sewerage Authority has a need to obtain proposals for its insurance coverages; and

WHEREAS, in order for an agency to obtain proposals from insurance companies, said agency needs to provide the companies with proof that it is the “Broker of Record” for the Authority; and

NOW, THEREFORE, BE IT RESOLVED that the Rahway Valley Sewerage Authority hereby appoints Amalgamated General Agency of Westfield, NJ, as its Broker of Record for the following Insurance Companies:

- Travelers/St. Paul
- Zurich
- Markel
- Interstate Fire & Casualty
- American Alternative

BE IT FURTHER RESOLVED that this appointment of Broker of Record shall be for the placement of the Authority’s year 2009 insurance policy renewals.

The following Resolution #09-40 was offered by Mr. Murphy, on motion of Mr. Murphy, and seconded by Mr. Chin. The motion was approved by those present Mr. Dierkes was absent.

RESOLUTION #09-40

WHEREAS, the Rahway Valley Sewerage Authority has a need to obtain proposals for its insurance coverages; and

WHEREAS, in order for an agency to obtain proposals from insurance companies, said agency needs to provide the companies with proof that it is the “Broker of Record” for the Authority; and

NOW, THEREFORE, BE IT RESOLVED that the Rahway Valley Sewerage Authority hereby appoints USI New Jersey of Roseland, NJ, as its Broker of Record for Liberty Mutual.

BE IT FURTHER RESOLVED that this appointment of Broker of Record shall be for the placement of the Authority’s year 2009 insurance policy renewals.

The following Resolution #09-41 was offered by Mr. Chin, on motion of Mr. Chin, and seconded by Mr. Sefranka. The resolution was approved by those present with the exception of Mr. Mazzarella who abstained. Mr. Dierkes was absent.

RESOLUTION #09-41

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolutions #03-89, #07-16, #07-23 and #09-23, #09-31, #09-32, #09-44, #09-46, #09-51, #09-62, #08-80, #09-08, #09-17, #09-23, #09-32 and related Agreements for 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 engaged the firm Paulus, Sokolowski & Sartor (PS&S) as a subcontractor ("Subcontractor") to assist them on this contract; 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 \$41,771.35; 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 2009 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 \$2,450,372.06 be and are hereby amended to provide for the increased contract amount of \$41,771.35 resulting in an amended contract amount not to exceed \$2,492,143.41; and

BE IT FURTHER RESOLVED that CCMS shall be required to provide the Authority with monthly invoices which shall include supporting documentation for its services and the services of its Subcontractor; and

BE IT FURTHER RESOLVED, that the Authority will make payment to CCMS and its Subcontractor based upon the Authority's analysis of the monthly submissions; and

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

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

The following Resolution #09-42 was offered by Mr. Chin, on motion of Mr. Chin, and seconded

by Mr. Sefranka. The resolution was approved by those present with the exception of Mr. Mazzarella who abstained. Mr. Dierkes was absent.

RESOLUTION #09-42

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolution #01-102, #03-63, #04-18, #04-34, #06-12, #06-48, #07-17 and related Agreements, Contract #105A/E, for the purpose of engaging Paulus, Sokolowski & Sartor (PS&S), 67A Mountain Blvd. Ext., Warren, NJ, for Professional Services specifically related to, Contract #105-A/E Cogeneration/Sludge Drying Facility; and

WHEREAS, the Authority has determined that there is a need to amend this agreement to provide for Engineering Services related to an Additional Scope of Services specifically related to the Title V Air Permitting Modifications; and

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

WHEREAS, the additional amount to be authorized for this Contract is \$23,300.00; 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 2009 Annual Budget.

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

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that the previously adopted Resolutions and related Agreements with Paulus, Sokolowski & Sartor in an amount of \$1,577,679.00 be and are hereby amended to provide for the increased contract amount of \$23,300.00 resulting in a total contract not to exceed \$1,600,979.00; 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.

The following Resolution #09-43 was offered by Mr. Chin, on motion of Mr. Chin, and seconded by Mr. Sefranka. The motion was approved by those present. Mr. Dierkes was absent.

RESOLUTION #09-43

WHEREAS, the Rahway Valley Sewerage Authority (the "Authority") seeks to engage an expert witness in the area of engineering in connection with certain litigation entitled Caterpillar Inc. and Foley Power Systems v. Rahway Valley Sewerage Authority and J. H. Reid General Contractor, Docket No. UNN-L-785-09, in which the Authority has been

named a party; and

WHEREAS, the Rahway Valley Sewerage Authority (Authority) received a proposal from Hatch Mott MacDonald, 27 Bleeker Street, Millburn, NJ 07041 for said services on Contract #105-W; and

WHEREAS, the contracting for such services is exempt from the public bidding requirements set forth in the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq. (the "Statute") and as such is specifically governed under, N.J.S.A. 40A:11-5(1)(a)(i); and

WHEREAS, the Secretary-Treasurer of the Authority hereby certifies that the necessary funds for said contract have been budgeted for in the 2009 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that the Rahway Valley Sewerage Authority engage Hatch Mott MacDonald to perform the services described herein at the rates outlined in the proposal from HMM dated May 12, 2009, (from Engineer III @\$81.00/hr to Principals @\$215.00/hr.); and

BE IT FURTHER RESOLVED that a Contract for the services described herein be entered into and approved by the Authority; and

BE IT FURTHER RESOLVED that said Contract must be executed by both parties within 90 days of award, in the event that the designated Party to this contract fails or refuses to sign said contract and all terms and conditions included therein, this Resolution shall be void and services shall be forthwith terminated; and

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

The following Resolution #09-44 was offered by Mr. Chin, on motion of Mr. Chin, and seconded by Mrs. Abram. The motion was approved by those present. Mr. Dierkes was absent.

RESOLUTION #09-44

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolutions #08-83 and related Agreement, for the purpose of engaging Paulus, Sokolowski & Sartor (PS&S), 67A Mountain Blvd. Ext., Warren, NJ, for Professional Engineering Services related to Contract #160-A/E Emergency Outfall; and

WHEREAS, the Authority has determined that there is a need to amend this agreement to provide for Engineering Services related to the additional the design work associated with this contract; and

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

WHEREAS, the additional amount to be authorized for this Contract is \$8,600.00; 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 2009 Annual Budget.

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

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that the previously adopted Resolutions and related Agreements with Paulus, Sokolowski & Sartor in an amount of \$17,000.00; be and are hereby amended to provide for the increased contract amount of \$8,600.00 resulting in a total contract not to exceed \$25,600.00; 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.

The following Resolution #09-45 was offered by Mr. Chin, on motion of Mr. Chin, and seconded by Mr. Murphy. The motion was approved by those present. Mr. Dierkes was absent.

RESOLUTION #09-45

RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT BETWEEN THE RAHWAY VALLEY SEWERAGE AUTHORITY AND R. F. STUMPF ASSOCIATES INC. FOR THE PROVISION OF ARCHIVIST/RESEARCH SERVICES

WHEREAS, the Rahway Valley Sewerage Authority (the "Authority") seeks to engage an archivist/researcher for purposes of locating certain insurance policies, some of which are decades old, naming the Authority as an insured so that the Authority may file claims for coverage in connection with certain litigation entitled New Jersey Department of Environmental Protection et als. v. Occidental Chemical Corporation et. als., Docket No. ESX-L-9868-05, (Passaic River Litigation) in which the Authority has been named a third party defendant; and

WHEREAS, the purchase of such services falls outside of the regular requirements of public bidding as set forth in the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq. (the "Statute") as the contract cost is less than the bid threshold set forth in the Statute and accordingly is governed under, N.J.S.A. 40A:11-6.1a.; and

WHEREAS, the services sought are unique and highly individualized and the results of such services are very time sensitive, and, therefore, the solicitation of additional proposals is highly impractical; and

WHEREAS, the Authority received a proposal from Debbie Wetzler of R. F. Stumpf

Associates, Inc., 107 Clark Street, Bloomingdale, New Jersey 07403, which reflects an hourly billing rate of \$75.00, a blended hourly rate of \$65.00 and an estimated not to exceed amount of \$5,000.00; and

WHEREAS, the Secretary-Treasurer of the Authority, who is the Chief Financial Officer, hereby certifies that the necessary funds for said contract are available in the 2009 Annual Budget.

NOW, THEREFORE, LET IT BE RESOLVED by the Rahway Valley Sewerage Authority that a Contract for the purchase of archivist/research services described in the proposal attached hereto and made a part of herein be entered into and approved by the Authority; and

BE IT FURTHER RESOLVED that said Contract must be executed by both parties within 90 days of award, in the event that the designated Party to this contract fails or refuses to sign said contract and all terms and conditions included therein, this Resolution shall be void and services shall be forthwith terminated; and

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

Mr. Chin made a motion, seconded by Mrs. Papen, authorizing Mr. Brinker, the Executive Director, to execute an Easement Agreement with the Township of Cranford for an easement on property at South Avenue and Lincoln Avenue where Bank of America is planning to construct a bank branch. The motion was approved by those present. Mr. Dierkes was absent.

The following Resolution #09-46 was offered by Mr. Sefranka, on motion of Mr. Sefranka, and seconded by Mr. Chin. The resolution was approved with the exception of Mr. Mazzarella who abstained and Mr. Luban, Mr. LoForte and Mr. Venturo voted against. Mr. Dierkes was absent.

RESOLUTION #09-46

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolutions #08-59 and related Agreement, for the purpose of engaging the Spi Group, 165 Passaic Avenue, Fairfield, NJ 07004 for 2009 Public Relations Services, Contract #0911; and

WHEREAS, the Authority has determined that there is a need to amend this agreement to provide for additional services including updating the Authority's website, preparation of articles for dissemination to newspapers which cover the member municipalities and services related to the Open House for the member municipal officials upon completion of the CSP Project; and

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

WHEREAS, the additional amount to be authorized for this Contract is \$10,000.00; and

WHEREAS, the Secretary-Treasurer of the Authority, who is the Chief Financial Officer, hereby certifies that the necessary funds for said contract are available in the 2009 Annual Budget.

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

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that the previously adopted Resolutions and related Agreements with the Spi Group in an amount of \$8,480.00; be and are hereby amended to provide for the increased contract amount of \$10,000.00 resulting in a total contract not to exceed \$18,840.00; and

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

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

**Bills and Claims**

Mrs. Papen 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 approved by those present. Mr. Dierkes was absent.

**BUILDING & EQUIPMENT FUND**

<b>CHECK</b>	<b>DATE</b>	<b>VENDOR</b>	<b>ACCT/LINE#</b>	<b>AMOUNT</b>
2395	05/21/09	A&A INDUSTRIAL PIPING, INC.	140.7	43,120.00
2396	05/21/09	ALL AMERICAN SEWER SERVICE INC.	140.7	1,890.00
2397	05/21/09	ARGENT ASSOCIATES LLC	140.7	597.50
2398	05/21/09	BETH-ALLEN SCAFFOLD & EQUIPMENT INC.	140.2	2,500.00
2399	05/21/09	CAMP, DRESSER & MCKEE, INC.	140.7	16,925.65
2400	05/21/09	CONSOLIDATED CONSTRUCTION MGT.	140.2/7	82,560.58
2401	05/21/09	EE CRUZ COMPANY INC.	140.7	756,159.11
2402	05/21/09	HATCH MOTT MACDONALD	140.2	39,786.65
2403	05/21/09	J.H. REID, GENERAL CONTRACTOR	140.2	26,019.00
2404	05/21/09	METCALF & EDDY, INC.	140.7	34,384.12
2405	05/21/09	OMNI ENVIRONMENTAL LLC	140.7	1,392.60
2406	05/21/09	PAULUS, SOKOLOWSKI & SARTOR	140.2/7/9	110,097.35

**Total Building & Equipment Fund Checks: 12**  
**Total Void Checks: 0**  
**Total Amount Void: \$0.00**  
**Total Amount Paid: \$1,115,432.56**

**CONSTRUCTION FUND**

<b>CHECK</b>	<b>DATE</b>	<b>VENDOR</b>	<b>ACCT/LINE#</b>	<b>AMOUNT</b>
1187	05/21/09	PAULUS, SOKOLOWSKI & SARTOR	140.4	3,342.94

**Total Checks: 1**  
**Total Void Checks: 0**  
**Total Amount Void: \$0.00**  
**Total Amount Paid: \$3,342.94**

**OPERATING FUND-MANUAL**

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
178	05/12/09	NEW JERSEY STATE HEALTH BENEFITS	03/04	68,589.24

**Total Checks: 1**  
**Total Void Checks: 0**  
**Total Amount Void: \$0.00**  
**Total Amount Paid: \$68,589.24**

**OPERATING FUND**

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
36157	04/22/09	CANON FINANCIAL SERVICES, INC.	16	1,299.72
36158	04/22/09	COGENT COMMUNICATIONS, INC.	27	674.00
36159	04/22/09	ELIZABETHTOWN GAS	22	10,832.67
36160	04/22/09	ELIZABETHTOWN GAS	22	117,982.61
36161	04/22/09	HESS CORPORATION	19	92,991.06
36162	04/22/09	LIBERTY MUTUAL INSURANCE GROUP	17	4,325.00
36163	04/22/09	MIDDLESEX WATER COMPANY	33	805.30
36164	04/22/09	PITNEY BOWES, INC.	48	82.00
36165	04/22/09	CITY OF RAHWAY	37	172.00
36166	04/22/09	VERIZON	11/30	1,096.48
36167	04/22/09	VERIZON WIRELESS	11	697.03
36168	04/22/09	WOODRUFF ENERGY	22	53,703.90
36169	04/29/09	ELIZABETHTOWN GAS	22	1,243.63
36170	04/29/09	FEDEX	48	160.06
36171	04/29/09	RVSA PAYROLL	01/02	255,440.56
36172	04/29/09	TREASURER - STATE OF NJ	37	150.00
36173	04/29/09	THE WESTWOOD	49	550.00
36174	05/01/09	DELTA DENTAL PLAN OF NJ	03	5,869.05
36175	05/01/09	RESOURCE SOFTWARE INT'L	27	657.00
36176	05/01/09	STANDARD INSURANCE COMPANY	03	2,200.83
36177	05/01/09	VISION SERVICE PLAN	03	1,234.87
36178	05/11/09	NJ MOTOR VEHICLE COMMISSION	35	25.00
36179	05/19/09	RVSA PETTY CASH	14	353.89
36180	05/21/09	A TOUCH OF ITALY	49	333.84
36181	05/21/09	ADP, INC.	03	170.28
36182	05/21/09	ADP, INC.	16	2,143.62
36183	05/21/09	ADVANCED SPECIALTY SALES, INC.	32	1,159.80
36184	05/21/09	ALL AMERICAN SEWER SERVICE INC.	32	7,203.00
36185	05/21/09	ALL INDUSTRIAL-SAFETY PRODUCTS	31	735.44
36186	05/21/09	AMERICAN INDUSTRIAL SUPPLY	32	969.98
36187	05/21/09	AMERICAN WEAR	32	1,114.00
36188	05/21/09	ATLANTIC COMMUNICATIONS	31	1,005.00
36189	05/21/09	AXYS ANALYTICAL SERVICES LTD	41	4,400.00
36190	05/21/09	BARNSTEAD INTERNATIONAL	40	146.96
36191	05/21/09	BAYWAY LUMBER	32	310.20
36192	05/21/09	BOWCO LABORATORIES, INC.	32	63.00
36193	05/21/09	COOPER ELECTRIC SUPPLY CO.	32	4,696.02
36194	05/21/09	GEORGE S. COYNE CHEMICAL CO.	32	934.50
36195	05/21/09	CSL SERVICES, INC.	30	30,663.76

36196	05/21/09	D2L ASSOCIATES, INC.	42	3,720.00
36197	05/21/09	DAVID WEBER OIL COMPANY	32	2,569.60
36198	05/21/09	DELTA PRODUCTS	32	267.65
36199	05/21/09	EASTERN SHEET METAL & PLATE CO.	32	10,848.10
36200	05/21/09	ELIZABETHTOWN GAS	22	7,515.97
36201	05/21/09	ENVIRONMENTAL RESOURCE ASSOCIATES	40	232.50
36202	05/21/09	ELIZABETHTOWN GAS	22	8,676.32
36203	05/21/09	GREGORY EVELYN	31	76.93
36204	05/21/09	FACTORY DIRECT PIPELINE	32	382.50
36205	05/21/09	FEDEX	48	359.39
36206	05/21/09	KIDDE FENWAL, INC.	32	2,142.16
36207	05/21/09	FISHER SCIENTIFIC	40	4,386.06
36208	05/21/09	FLEXLINE	32	106.91
36209	05/21/09	W.W. GRAINGER, INC.	32	633.84
36210	05/21/09	GARY W. GRAY TRUCKING, INC.	25	45,421.14
36211	05/21/09	GREAT LAKES ENVIRONMENTAL	41	976.97
36212	05/21/09	GREENBAUM, ROWE, SMITH & DAVIS	08	6,705.40
36213	05/21/09	GREENWOOD PRODUCTS, INC.	42	305.75
36214	05/21/09	HACH COMPANY	40/41	2,459.70
36215	05/21/09	HALL & ASSOCIATES	08	1,401.94
36216	05/21/09	HAYES PUMP INC.	32	4,468.00
36217	05/21/09	HOME DEPOT CREDIT SERVICES	32	668.26
36218	05/21/09	HUDSON BLUEPRINT CO., INC.	12	1,054.20
36219	05/21/09	JERSEY ELEVATOR COMPANY INC.	32	579.66
36220	05/21/09	JOHNSTONE SUPPLY	32	778.13
36221	05/21/09	KONECRANES, INC.	32	1,200.00
36222	05/21/09	LAB SAFETY SUPPLY, INC.	43	337.91
36223	05/21/09	LABCHEM INC.	40	554.36
36224	05/21/09	LOC PUMP & EQUIPMENT	42	8,175.00
36225	05/21/09	LONGO ELECTRICAL-MECHANICAL, INC.	32	4,900.00
36226	05/21/09	JEAN MANIGOLD	15	94.20
36227	05/21/09	MARIBELL ASSOCIATES, INC.	31	658.00
36228	05/21/09	McELROY, DEUTSCH, MULVANEY	08	3,311.00
36229	05/21/09	MCMANIMON & SCOTLAND, LLC	08	7,186.80
36230	05/21/09	MCMASTER-CARR SUPPLY CO.	32	200.19
36231	05/21/09	MARCOS MELENDEZ	31	79.99
36232	05/21/09	MOTION INDUSTRIES, INC.	32	198.61
36233	05/21/09	MSC INDUSTRIAL SUPPLY CO.	32	841.49
36234	05/21/09	MULTI-CARE HEALTH CENTER	50	250.00
36235	05/21/09	NATIONAL FUEL OIL, INC.	24	1,128.35
36236	05/21/09	NJ MANUFACTURERS INSURANCE CO.	17	18,085.00
36237	05/21/09	NJ MOTOR VEHICLE COMMISSION	35	71.50
36238	05/21/09	NJ MOTOR VEHICLE COMMISSION	35	151.00
36239	05/21/09	NORTHERN SAFETY SUPPLY	31	660.77
36240	05/21/09	NW FINANCIAL GROUP	09	3,425.00
36241	05/21/09	O'JOHNNIES, INC.	13	1,079.90
36242	05/21/09	ONE CALL SYSTEMS, INC.	32	36.30
36243	05/21/09	PAULUS, SOKOLOWSKI & SARTOR	06	8,229.93
36244	05/21/09	PITNEY BOWES, INC.	48	82.00
36245	05/21/09	POLAND SPRING	46	64.92
36246	05/21/09	POLARIS LABORATORIES, LLC	32	299.39
36247	05/21/09	ROBERT POLTZ	15	164.70
36248	05/21/09	POLYDYNE INC.	23	16,200.00
36249	05/21/09	PRECISION ELECTRIC MOTOR WORKS	32	2,315.50
36250	05/21/09	PSE&G COMPANY	19/42	502.34
36251	05/21/09	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	04	94.69
36252	05/21/09	PUMPING SERVICES, INC.	32	363.96

36253	05/21/09	QC LABORATORIES	41	4,387.00
36254	05/21/09	RAHWAY ELECTRIC SUPPLY CO.	32	1,277.50
36255	05/21/09	RARITAN SUPPLY COMPANY	32	1,262.65
36256	05/21/09	RUTGERS, THE STATE UNIVERSITY	31	645.00
36257	05/21/09	RVSA PAYROLL	01/02	173,146.04
36258	05/21/09	SAFETY-KLEEN CORP.	32	264.70
36259	05/21/09	SCALES INDUSTRIAL TECHNOLOGIES	32	1,730.66
36260	05/21/09	SIMPLEX GRINNELL LP	32	673.34
36261	05/21/09	SISSCO MATERIAL HANDLING EQUIPMENT	32	2,212.00
36262	05/21/09	SPECTRASERV INC.	26	7,038.72
36263	05/21/09	SPORT HONDA	32	2,034.94
36264	05/21/09	STAR LEDGER	12	189.00
36265	05/21/09	STORR TRACTOR COMPANY	35	643.69
36266	05/21/09	JANICE TEIXEIRA	15/31	186.85
36267	05/21/09	THE SPI GROUP, LLC	27/46	796.80
36268	05/21/09	KEVIN TIERNEY	31	80.00
36269	05/21/09	TRI-STATE PUMP INC.	32	648.50
36270	05/21/09	TRUMP MARINA HOTEL CASINO	49	101.99
36271	05/21/09	UNITED PARCEL SERVICE	48	77.99
36272	05/21/09	US FILTER/SIEMENS WATER TECH.	40	1,118.00
36273	05/21/09	USA BLUEBOOK	43	229.00
36274	05/21/09	VERIZON CONFERENCING	11	32.43
36275	05/21/09	VERIZON	11/30	2,208.33
36276	05/21/09	VERIZON WIRELESS	11	681.60
36277	05/21/09	WARREN LIGHTNING ROD COMPANY	32	820.00
36278	05/21/09	WEINER LESNIAK LLP	07	65,753.51
36279	05/21/09	921-GTS-WELCO	32	343.65
36280	05/21/09	WESTFALIA SEPARATOR, INC.	32	164.38
36281	05/21/09	THE WESTWOOD	49	5.55
36282	05/21/09	WOODRUFF ENERGY	22	37,638.41
36283	05/21/09	DARREN ZUJKOWSKI	15/31	191.50

**Total Operating Fund Checks: 127**  
**Total Void Checks: 0**  
**Total Amount Void: \$0.00**  
**Total Amount Paid: \$1,102,859.67**

**Total All Funds Checks: 141**  
**Total Void Checks: 0**  
**Total Amount Void: \$0.00**  
**Total Amount Paid: \$2,290,224.41**

OPERATING FUND	9-01	\$1,171,448.91
BUILDING & EQUIPMENT FUND	9-02	\$1,115,432.56
CONSTRUCTION FUND	9-04	\$ 3,342.94
<b>TOTAL ALL FUNDS:</b>		<b>\$2,290,224.41</b>

**Open the Floor to the Public**

No one was present to address the Board.

**Closed Session**

Mr. Luban made a motion to go into closed session at this time, 8:20 p.m., to discuss legal matters, based on Attorney Client privilege. The motion was seconded by Mr. Mazzarella and

approved by those present. Mr. Dierkes was absent.

Mr. Chin made a motion to return to the regular order of business at this time, 9:40 p.m. The motion was seconded by Mr. Sefranka and approved by those present. Mr. Dierkes was absent.

### **Return to Regular Order of Business**

The Chairman asked if there was action based on what was discussed in Closed Session?

Mr. Chin made a motion, seconded by Mr. Sefranka, to reject the low bid received on Contract #161 Rehabilitation of Sludge Storage Tanks Covers, Control Bldg. and Pumping Station, from SMAC Corp. of Paterson, NJ, as not being from a responsible bidder. The motion was approved by those present. Mr. Dierkes was absent.

Mr. Chin made a motion, seconded by Mr. Sefranka, to award Contract #161 – Rehabilitation of Sludge Storage Tanks Covers, Control Bldg. and Pumping Station to the lowest responsible bidder, Spectraserv, Inc. of South Kearney, NJ, whose bid documents were found to be in order by both the Consulting Engineer and Counsel, at a cost of \$973,800.00. The motion was approved by those present. Mr. Dierkes was absent.

Mr. Chin made a motion, seconded by Mr. Sefranka, authorizing the Executive Director to execute Change Order #11 on Contract #105-Cogeneration/Sludge Drying Facility for the purchase and installation of two 2000 KW Diesel Fueled Gen Sets at a cost of \$1,979,314.00. The motion was approved with the exception of Mr. LoForte, Mr. Mazzarella and Mr. Ventura who voted against and Mr. Dierkes who was absent.

### **Adjournment**

As there was no further business, on motion of Mr. Chin, seconded by Mr. Murphy, the meeting adjourned at 9:50 p.m. The motion was unanimously approved.

*Robert J. Materna*

Robert J. Materna, Secretary-Treasurer

JG/jg  
Attachments