

RAHWAY VALLEY SEWERAGE AUTHORITY

Summary of Minutes

Regular Meeting held March 18, 2010

- Minutes
Approved Minutes of December 17, 2009 Regular Meeting.
Approved Minutes of January 21, 2010 Regular Meeting.
Approved Minutes of February 18, 2010 Regular Meeting.

- Communications
OPRA request from Gregory Allen of Hychem Corp.; letters were received from Christine Ariemma, Borough of Garwood; Mayor Ziad Shehady, Township of Springfield; Mayor Andrew Skibitsky, Town of Westfield; Mayor Kathi Fiamingo, Borough of Kenilworth; and Mayor John McCormac, Township of Woodbridge regarding the Billing Methodology Study; and an email from Peter Pelissier from the City of Rahway.

- Treasurers Reports
The Treasurer Reports for the month of January were received.

- Executive Director
Sewer Connections and the status of various contracts.

- Consulting Engineer
Overview of contracts; flow rights and user charge reports.

- Counsel
Overview of legal matters.

- Committees
Reports were given by the Engineering and Finance Committees.

- Unfinished Business
None.

- New Business
Approved the following: Security Purchases; Execution of a Memorandum of Settlement with SM Electric and EE Cruz Construction; and a Sewer Connection for the City of Rahway.

- New Business (Cont'd.)
Approved the following expenditures: Amend Contract #105-C to CCMS in an amount of \$10,547.00; and Award Contract #105-L to CME Engineering in an amount of \$150,000.00; and Award Contract #155-W to Construction Claims Group/Berner Claims Consulting in an amount of \$30,000.00.

RAHWAY VALLEY SEWERAGE AUTHORITY

Summary of Minutes (Cont'd.)
Regular Meeting held March 18, 2010

-	Bills & Claims		
	OPERATING FUND	0-01	\$624,362.34
	BUILDING & EQUIP FUND	0-02	<u>\$433,560.56</u>
	TOTAL OF ALL FUNDS:		\$1,057,922.90

RAHWAY VALLEY SEWERAGE AUTHORITY

Regular Meeting Minutes – March 18, 2010

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 9, 2010.

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
Rene Dierkes	for the Borough of Mountainside
Richard LoForte	for the Borough of Kenilworth
Stephen Greet	for the Borough of Garwood
Robert G. Luban	for the Township of Woodbridge
Frank G. Mazzarella	for the Township of Clark
Joan Papen	for the Township of Scotch Plains
* Attilio S. Venturo	for the Borough of Roselle Park

* Arrived after roll call at 7:50 p.m.

The following member was absent:

James J. Murphy	for the Township of Cranford
Paul M. Sefranka	for the City of Rahway

The following were also present:

Robert J. Materna	Secretary-Treasurer
Joanne Grimes	Office Admin./Board Secretary
Robert Valent	Superintendent
James Wancho, P.E.	Paulus, Sokolowski & Sartor
Brian Hak, Esq.	Weiner Lesniak, LLP, General Counsel

The following were also present:

Charles Witte	CCMS
John Buonocore	RVSA Staff Engineer
Robert Poltz	RVSA IS Manager
Donna Corris	RVSA Payroll & Benefits Administrator
Dan Ward	RVSA Maintenance Manager
Thomas Macaluso	RVSA Asst. Laboratory Supervisor
Tom Watters	RVSA Employee
Wayne Baker	The Westfield Leader

Administer the Oath Of Office

Mrs. Grimes, Secretary to the Board (Notary) administered the Oath of Office to Commissioner Mazzarella regarding his reappointment as Vice Chairman.

I, Frank G. Mazzarella, (One Fairview Road, Clark, NJ), do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of New Jersey, and that I will bear true faith and allegiance to the same and to the Governments established in the United States and in this State, under the authority of the people and I will faithfully, impartially and justly perform all the duties of Vice Chairman to the Rahway Valley Sewerage Authority according to the best of my ability. So help me God.

Approval of Minutes

Mrs. Papen made a motion, seconded by Mr. Greet, to approve the minutes of the Regular Meeting held December 17, 2009. The motion was approved by those present with the exception of Mr. Luban who abstained. Mr. Venturo, Mr. Murphy and Mr. Sefranka were absent.

Mr. Chin made a motion, seconded by Mrs. Papen, to approve the minutes of the Regular Meeting held January 21, 2010. The motion was approved by those present with the exception of Mr. Luban who abstained. Mr. Venturo, Mr. Murphy and Mr. Sefranka were absent.

Mr. Chin motion, seconded by Mr. Dierkes, to approve the minutes of the Regular Meeting held February 18, 2010. The motion was approved by those present with the exception of Mrs. Papen who abstained. Mr. Venturo, Mr. Murphy and Mr. Sefranka were absent.

Communications

An OPRA Request was received March 2, 2010 from Gregory Allen of Hychem Corp. seeking the Significant Industrial User names and flow, the documents were provided to him on March 8, 2010.

The following letter was received February 19, 2010 from Christina M. Ariemma, RMC Borough Administrator/Clerk for the Borough of Garwood:

“At the regular meeting of the Mayor and Council held on February 9, 2010, the

governing body discussed your letter regarding an Alternative Billing Method.

I have been directed to advise that the borough is not ready to commit to the proposal, however, is not objecting. The governing body is requesting that RVSA provide an estimate for the study. Furthermore how much will be saved and how, by switching the billing method.

If you require additional information, please do not hesitate to contact me.”

The following email was received February 24, 2010, from Ziad Andrew Shehady, Mayor of the Township of Springfield, in response to the Authority’s letter on Billing Methodology:

“This was discussed by the governing body at our 2/23 meeting. Before a decision could be rendered, the Township Committee would appreciate having more information. Specifically, the last page states:

“However, the RVSA does not intend to incur any cost for a presentation forum or study if the Member Municipalities are not unanimously in favor of considering an alternative billing methodology that could be incorporated into the Agreement. That being said, we are asking you to advise the RVSA if your municipality will favorably consider this change.”

Similarly, our municipality (and others agree from what I see in the news) doesn’t want to offer any indication to the RVSA of our sentiment without knowing what the cost might be. Without an estimate of expense or maximum expenditure limit for the presentation forum or study, it would be financially irresponsible for any municipality or the RVSA to express support for or against this option. Kindly provide us with the proposal, scope of work, and cost that you will be entertaining so that we can advise you if we will favorably consider this change.”

The following letter addressed to Robert Materna was received March 2, 2010 from Andrew K. Skibitsky, Mayor of the Town of Westfield:

“Thank you for your correspondence of February 4, 2010 regarding the proposal to undertake a study with respect to an alternative billing methodology.

Please be advised that the Town of Westfield is not opposed to undertaking such a study. However, the Town would require a cost estimate for the completion of the study prior to endorsing the effort.

I look forward to hearing from you again at your earliest convenience.”

The following letter addressed to Robert Materna was received March 8, 2010 from Kathi Fiamingo, Mayor of the Borough of Kenilworth:

“In response to your recent correspondence in the above referenced matter, be advised that the Kenilworth Borough Council, while not opposed to the consideration of alternative billing methodology, does not believe another study is warranted.

We believe the member municipalities would be better served if the Authority would make a specific recommendation based on information already on hand.”

The following letter dated February 11, 2010 was received by our office on March 15, 2010, from Mayor John McCormac of the Township of Woodbridge:

“I am writing in response to Mr. Materna’s letter dated February 4, 2010 on the referenced subject. Based on the limited information provided in his letter, I will recommend that our municipal representative, Robert G. Luban, cast our municipalities vote in favor of conducting a presentation forum and study of alternative billing methods. However, this support should not be construed as any type of commitment to vote in favor of any change to the current billing system or any of the recommendations from the study. Any decisions with regard to those issues will be made once the Authority has presented their findings and I have had an opportunity to review those findings with our support staff and our Township Council.

If you have any questions or would like to discuss this matter at greater length, please do not hesitate to contact my office.”

The following email was received today, March 18, 2010 from Peter Pelissier, Business Administrator for the City of Rahway:

“This letter via e-mail is to formally request information regarding the RVSA operations as they relate to the recently adopted budget. I am writing this letter to you as there is confusion as to who is actually in charge of the day to day operations in the absence of Mr. Brinker. Prior to Mr. Brinker’s departure he represented to me that if the City of Rahway needed clarification on budget matters he would be willing to answer my questions. That being said, I would like to know why the five (5) or six (6) employees that were hired to support the Cogeneration operation are still being retained and at what cost to the RVSA, inclusive of all benefits, in as much as the co-generation operation appears to be further delayed. Additionally, I would like to understand why the April 1, 2010 startup date was recommended by the Chairman of the engineering committee, since no explanation was given by any Commissioner or the Executive Director at the December 2009 budget meeting. Is the Cogen operation going to go on line as presented at the December 2009 budget meeting by April 1, 2010? If the operational date is to be delayed what will be the explanation be for a new startup date and how will the budget surplus be re-allocated to the members communities? Without being too condescending to the Commissioners who voted for the budget with the anticipated startup date of April 1, 2010 inclusive of the employees hired to support it, I would trust that a future date will take into consideration all the legal issues, design and redesign plans and construction time lines and not just a date without justification. I write this request as Rahway will be receiving a cut in State Aid and is looking for any surplus funding due to our City to

offset our sewer utility costs.

After receiving your response, I would request that the Engineering Chairman attend a City of Rahway Council meeting to make a presentation regarding the employees hired to support the co-generation component at the RVSA as well as to explain the reasons for the tremendous change orders that resulted in millions of dollars of excess costs to date that have resulted in nothing but potential litigation, and a non operational system.

I understand that there is a RVSA meeting tonight March 18, 2010 and the Rahway Commissioner will not be able to attend due to business commitments, therefore, I request copies of this correspondence be distributed to the Commissioners and be placed on the agenda for discussion and appropriate action. Thank you in advance for your consideration.”

Chairman Luban advised that since the letter from Mr. Pelissier was received this afternoon, that it would not be discussed this evening. He asked Mr. Chin to discuss this matter with Counsel and the Engineering Committee and come up with a response. Mr. Luban asked that the response be run past him first.

Report of Treasurer

The Treasurer’s Reports for the month of January 2010 have been distributed to the Commissioners for review and will be spread on the minutes. So ordered.

Report of Executive Director

Mr. Valent gave an overview of the following report:

Sewer Treatment Endorsements

The following is a list of Sewer Treatment Endorsements processed between 2/16/10 and 3/16/10. 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>
1162-10-RW	02/17/10	Dr. Richard Olin	Rahway
1163-10-WB	02/17/10	Metropark Associates	Woodbridge
1164-10-WF	02/22/10	Iwona Dankowski	Westfield
1165-10-RW	03/05/10	Kamran Tasharifi	Rahway
1166-10-RP	03/11/10	565 Westfield LLC	Roselle Park
1167-10-CL	03/16/10	70 Harding Avenue	Clark

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 Report
RVSA Contractors & Engineers Claims for Payment
RVSA Purchase Orders in Excess of \$1500.
IPP Monthly Report

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

PS&S Monthly Report
Weiner Lesniak – Monthly Report 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 #24) is in the amount of \$10,547.00 total amended contract amount of \$2,674,655.56. Action is on the agenda under New Business.

Contract #105-L Engineering – Legal Support Services

An RFQ was posted on the Authority's website for this contract. Qualifications were received on March 16th from two firms as noted below. Counsel is reviewing the qualifications and will make a recommendation for action at the meeting. Action is on the agenda under New Business.

Company

Concord Engineering Group, Inc.
Voorhees, NJ

CME

Parlin, NJ

Contract #155-W Expert Witness Services – on SM Electric Claim

Counsel received a proposal from Berner Construction Claims Group (BCCG) of Cedar Knolls, NJ, for Expert Witness Services in conjunction with the Claim filed by SM Electric on Contract #155. BCCG's hourly rates are Principal \$235.00; Sr. Consultant \$205.00; Consultant \$175.00; Technician \$125.00, Report Preparation at \$50.00 per hour, not to exceed \$30,000.00. Action is on the agenda under New Business.

Contract #159 – CSP - Chemical Handling and Feed Systems

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

User Charges / Billing Methodology

As previously discussed, letters were sent to the member municipalities regarding proposed

alternative billing methodology and the Commissioners were asked to communicate with their respective Mayor and Council regarding this matter.

Joanne Grimes contacted Cranford, Kenilworth, Mountainside, Rahway, Roselle Park, Scotch Plains and Woodbridge via email earlier this week regarding their responses. This generated comments from Rahway, Roselle Park, Scotch Plains and Woodbridge who will be providing their formal responses in the near future; and Kenilworth forwarded their formal response.

Garwood, Westfield and Springfield provided their responses since the last meeting and are noted in the March Communications; and Clark had responded prior to the last meeting.

A separate memorandum from Joanne Grimes was distributed to Commissioners with all responses received to date.

Additionally, Mr. Materna requested a letter from PS&S regarding this matter, a copy of that letter, dated March 8, 2010, was distributed to the Commissioners for discussion. No action will be taken until we receive the responses from all of the municipalities.

Excess Flow Hearings

Annual Excess Flow Hearings were scheduled for February 25, 2010 for Woodbridge, Kenilworth, Roselle Park and Springfield. The Hearings were cancelled due to the weather. A new date needs to be chosen for the 2010 Hearings if the Commissioners still wish to hold them.

Sewer Connection

A Treatment Works Sewer Connection Application was received from the City of Rahway on behalf of Scott Avenue LLC for property located at 1197 West Scott Avenue in the City of Rahway. The application is for a sewer connection to serve 9 three bedroom Condominiums, with a proposed discharge of 2,700 gpd. John Buonocore, RVSA Staff Engineer reviewed the project and found it to be in order.

Contract #105-F Forensic Accountant regarding Contract #105 Cogen Facility

Mr. Joseph Cipolla of Cipolla & Co., the Forensic Accountant working with Counsel on matters related to Contract #105, attended the Engineering Committee Meeting to discuss matters with the Board.

Roof Replacement

Mr. Valent, Superintendent, advised the Board that the roof on the Administrative Office Building old wing was installed around 1975 and the roof on the new wing was installed when that wing was built in 1990. The roof on the old wing is major disrepair. It has been patched on several occasions, however, continually leaks into the office area and is need of replacement. This matter was discussed at the Engineering Committee Meeting and the Consulting Engineer will be preparing bid specification for this work.

Mr. Luban stated that Mr. Charles Witte of CCMS Corporation is present this evening to introduce himself to the Board. Mr. Witte replaces Mr. John Buonocore on CCMS's staff, as Mr. Buonocore has joined RVSA's staff.

Report of Consulting Engineer

The following report to the Authority's Board summarizes our activities for the period of February 19, 2010 through March 12, 2010.

Trunk Sewer Rehabilitation - Contract #144

PS&S reviewed documentation received from Marvec's attorney and prepared a response as follow up to mediation discussions. Mediation is again scheduled for March 16, 2010.

Air Permitting

No activity this period.

During prior periods PS&S prepared and submitted comments to NJDEP on behalf of the Authority regarding requested clarifications and revisions of conditions of concern in the most recent NJDEP draft Title V Air Permit Modification Approval related to the operation of the Cogen engines.

In addition, upon startup of the Cogeneration/Sludge Drying Facility's Thermal Hot Oil Heater (Oil Heater), PS&S will be providing assistance to the Authority regarding the preparation of the required USEPA notification and information submittal for the startup of the 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 Oil Heater.

Contract #158 Outfall Repair

Montana Construction has completed all contract work and PS&S is awaiting the final payment requisition which will close out the project.

Contract #159 Chemical Feed System Improvements

Work has continued in both the Headworks and Pump and Blower Buildings. The work includes demolition and installation of the following: HVAC equipment, ductwork, cold water piping, pipe insulation, chemical tanks testing, chemical pumps control panels, field instruments, pipe testing, ceiling lights, switches, receptacles, emergency and exit lights, conduit and wire runs to pump control panels and various electrical devices/field instruments, and control wire terminations. The contractor has recently submitted his construction schedule with a contract completion date of June 24, 2010. The contractor is currently beyond the original contract completion date of October 27, 2009.

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

Spectraserv Inc. has completed all tank rehabilitation and sludge pumping station roof work.

PS&S is processing their final payment requisition.

Miscellaneous General Consulting

PS&S has provided the following services during this report period:

Review of correspondence related to environmental permit notifications sent to the Authority.

Assistance with user charge/alternate billing methodology, including consultation with the Authority and preparation of a summary letter to the Authority with follow-up task items.

Meeting with Cranford to discuss alternative billing methodology and user charge questions.

User Charge and Flow Rights Reports

The February Flow Rights and User Charge were finalized and submitted.

Mrs. Papen stated that at the January meeting, you stated you were going to contact the other Authorities to find out how they do their billing. Did you ever get a chance to do that. Mr. Wancho responded that he reached out to several authorities with regard to this and will summarize the information and provide it to the Commissioners in the near future.

Mr. Mazzarella stated that he reviewed the flow rights reports and stated that during this past year a community like Roselle Park who had an astronomically high amount of exceedances. He wanted to know why this month they only had three. Mr. Wancho stated that the numbers are what they are. Mr. Wancho noted that he takes the flow data and applies the pluses and minuses (the formula for each meter) to determine the flow. He added that if there are large abnormalities in the data, then they flag the information and research it further, however, if the data is consistent and there are no abnormalities in the BOD or TSS, then the only conclusion we can come to is that the data is consistent. The flow exceedances can be for a brief moment, therefore if the flow is down slightly, there wouldn't be any exceedances. Mr. Wancho stated that the data he works with is certified by the metering vendor, who records the data.

Mr. Mazzarella added that he was surprised that Mr. Wancho did pick up on this. Mr. Wancho stated that he would look at the data and advise if he sees anything that appears to be an anomaly.

Mr. Luban asked Mr. Chin to work with Mrs. Grimes to reschedule the Excess Flow Hearings.

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 February 9, 2010 through March 15, 2010.

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 No. 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. The subcontractor has also recently filed a municipal mechanic's lien claim pursuant to N.J.S.A. 2A:44-125 et seq. in the amount of \$256,609.61 against monies owed to the general contractor. By letter dated August 25, 2009 the contractor has formally disputed the municipal mechanic's lien claim. Mediation sessions with respect to the subcontractor's claims were held on February 17, 2010 at which time some of the claims were resolved. An additional date is to be scheduled. This matter will be discussed in Executive Session.

Cogeneration Facility

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, including its claim for liquidated damages against the contractor, was filed on April 9, 2009. On July 2, 2009 the Authority filed third party claims against its consultants PS&S and CCMS alleging its right to indemnification/contribution based on the contractor's crossclaim for delay and errors and omissions. The case shall proceed according to the alternate dispute procedures set forth in the contract with CCMS.

We have also had extensive consultations with the Authority's damages expert, Cipolla & Co., LLC regarding the case.

This matter will be discussed in detail in Executive Session.

Miscellaneous

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. A response to the report prepared by the Authority's consultants denying the basis for the contractor's claims has been forwarded to the contractor. A mediation session regarding the contractor's claims was held at the Authority's offices on January 12, 2010 and an additional session will be held on March 16, 2010.

* Mr. Venturo arrived at this time, 7:50 p.m.

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.

The Authority filed its Answer to the Third Party Complaint on September 25, 2009. This office has been selected to serve on a Steering Committee in order to provide a voice to public entity third-party defendants, such as the Authority, with respect to certain procedural issues including early disposition through motions to dismiss. This office has also been asked to participate on a public entity subcommittee which is responsible for coordinating efforts with other municipal and sewerage authority third party defendants for purposes of presenting defenses that are unique to the subgroup. A meeting of the subgroup was held with the Special Master on February 19, 2010. The subgroup also met again on March 1, 2010 in order to discuss the structure of ADR discussions. This matter may be discussed in Executive Session.

Committee Reports

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

Engineering Committee (Allen Chin, Chairman)

Mr. Chin stated that an Engineering Committee Meeting was held March 11, 2010, at which time several items were discussed. Items that require action are on the agenda under New Business.

Finance Committee (Joan Papen)

Mr. Murphy stated that a Finance Committee Meeting was held earlier this evening at which time the Bills and Claims were reviewed. Action is on the agenda under Bills and Claims.

Insurance Review Committee (James Murphy, Chairman)

No report.

Legal Committee (Frank Mazarella, Chairman)

No report.

Personnel Committee (Rene Dierkes, Chairman)

No report.

Public Relations Committee (Paul Sefranka, Chairman)

No report.

Security Committee (Steve Greet, Chairman)

No report.

Sludge Management Committee (Attilio Venturo, Chairman)

No report.

Unfinished Business

None.

New Business

The following Resolution #10-12 was offered by Mrs. Papen, on motion of Mrs. Papen, and seconded by Mr. Dierkes. The resolution was approved by those present with the exception of Mr. Chin who noted he is not a Director of the Town Bank, however, he abstained. Mr. Murphy and Mr. Sefranka were absent.

RESOLUTION #10-12

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 April 16, 2010:

<u>Amount</u>	<u>Rate</u>	<u>Bank</u>
\$1,015,046.16	1.23%	Town Bank, Westfield, NJ

The following Resolution #10-13 was offered by Mr. Chin, on motion of Mr. Chin, and seconded

by Mrs. Papen. The resolution was approved by those present. Mr. Murphy and Mr. Sefranka were absent.

RESOLUTION #10-13

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, #09-41, #09-49, #09-58, #09-60, #09-64, #09-70, #09-95, #10-05, #10-10 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 \$10,547.00; 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 2010 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 \$2,664,108.56 be and are hereby amended to provide for the increased contract amount of \$10,547.00 resulting in an amended contract amount not to exceed \$2,674,655.56; 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.

Resolution #10-14 was withdrawn from the table.

Action on Resolution #10-15 was deferred until after the closed session, for discussion of legal matters.

The following Resolution #10-16 was offered by Mr. Chin, on motion of Mr. Chin, and seconded by Mrs. Papen. The resolution was approved by those present. Mr. Murphy and Mr. Sefranka were absent.

RESOLUTION #10-16

WHEREAS, the Rahway Valley Sewerage Authority (Authority) received a proposal from Russell A. Berner, PE, of Construction Claims Group/Berner Claims Consulting, LLC, 14 Ridgedale Avenue, Suite 257, Cedar Knolls, NJ 07927, for Engineering Services specifically related to Construction Claims Support Services on Contract #155 CSP Plant Upgrade, and the SM Electric Claim, this Contract #155-W; and

WHEREAS, pursuant to the Local Public Contracts Law N.J.S.A. 40A:11-5, contracts of this nature may be awarded without bidding and qualifications were received for the award of this contract through a non-fair and open process in accordance with N.J.S.A. 19:44A-20, et. seq.

WHEREAS, the Authority received a rate schedule from Construction Claims Group/Berner Claims Consulting, LLC on March 15, 2010, reflecting rates of: Principal @\$235.00/hr., Sr. Consultant @\$205.00/hr., Consultant @\$175.00/hr., Technician @\$125.00/hr., and report preparation @\$50.00/hr., and mileage, total contract not to exceed \$30,000.00; and

WHEREAS, the Secretary-Treasurer of the Authority hereby certifies that funds for said contract will be budgeted for in the 2010 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that the Rahway Valley Sewerage Authority engage Construction Claims Group/Berner Claims Consulting, LLC to perform the services described herein at the aforementioned hourly rates, total not to exceed \$30,000.00; and

BE IT FURTHER RESOLVED that a Professional Service Contract 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 #10-17 was offered by Mr. Chin, on motion of Mr. Chin, and seconded by Mr. Mazzarella. The resolution was approved by those present. Mr. Murphy and Mr. Sefranka were absent.

RESOLUTION #10-17

RESOLUTION RATIFYING THE TERMS AND CONDITIONS CONTAINED IN A CERTAIN MEMORANDUM OF UNDERSTANDING BETWEEN THE RAHWAY VALLEY SEWERAGE AUTHORITY, E.E. CRUZ & CO., INC. AND SM ELECTRIC COMPANY, INC. IN CONNECTION WITH CONTRACT NO. 155

WHEREAS, claims were presented to the Rahway Valley Sewerage Authority (the "Authority") by E.E. Cruz & Co., Inc. ("EEC"), the general contractor on Authority Contract No. 155 on behalf of EEC's electrical subcontractor SM Electric Company, Inc. ("SME"); and

WHEREAS, mediation sessions were held with respect to SME's claims against the Authority on February 17, 2010 and February 18, 2010; and

WHEREAS, the issues related to the claims of SME have been partially resolved by mediation and the parties having memorialized their agreement by way of a Memorandum of Understanding (the "MOU") now desire to ratify the terms and conditions as well as the rights, duties and responsibilities of the parties as set forth in the MOU.

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

- All of the foregoing "Whereas" clauses are incorporated by reference herein as if set forth at length.
- All of the terms and conditions of the Memorandum of Understanding dated February 18th, 2010 setting forth the rights, duties and responsibilities of the parties, a true copy of which is annexed hereto and made a part hereof and are hereby accepted and ratified by the Authority.
- The payments to be made by the Authority to EEC and SME as set forth in the MOU are hereby approved and authorized.
- The Authority hereby authorizes its Counsel to perform any related tasks including the execution of any further documents related to the purposes herein expressed that may arise in the course of completing this matter.
- All appropriate Authority officials and personnel are authorized to prepare all related documents and perform all tasks that will affect the purposes of this Resolution.
- This Resolution shall take effect immediately and/or as required by law.

The following Resolution #10-18 was offered by Mr. Mazzarella, on motion of Mr. Mazzarella, and seconded by Mr. Chin. The resolution was approved by those present. Mr. Murphy and Mr. Sefranka were absent.

RESOLUTION #10-18

WHEREAS, the City of Rahway submitted a Treatment Works Sewer Connection Application on behalf of Scott Avenue LLC, for a project located at 197 West Scott Avenue, in the City of Rahway, State of New Jersey; and

WHEREAS, the application is for the connection of a nine three bedroom townhouse units with a proposed flow of 2,700 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 John Buonocore, P.E., RVSA Staff 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.

Bills and Claims

Mrs. Papen made a motion, seconded by Mr. Dierkes, that the following bills and claims previously audited by the Finance Committee be ordered paid. The motion was unanimously approved by those present. Mr. Murphy and Mr. Sefranka were absent.

BUILDING & EQUIPMENT FUND

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
2512	03/18/10	A&A INDUSTRIAL PIPING, INC.	140.7	50,421.00
2513	03/18/10	CIPOLLA & COMPANY, LLC	140.2	131,042.11
2514	03/18/10	CONSOLIDATED CONSTRUCTION MGT.	140.2/7	16,910.64
2515	03/18/10	HATCH MOTT MACDONALD	140.2	36,002.27
2516	03/18/10	J.H. REID, GENERAL CONTRACTOR	140.2	57,836.01
2517	03/18/10	PAULUS, SOKOLOWSKI & SARTOR	140.2/7	101,308.96
2518	03/18/10	WEINER LESNIAK LLP	140.4/7/9	40,039.57

Total Building & Equipment Fund Checks: 7

Total Void Checks: 0

Total Amount Void: \$0.00

Total Amount Paid: \$433,560.56

OPERATING FUND

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
37403	02/24/10	RAHWAY VALLEY SEWERAGE AUTH.	01/02	95,328.42
37404	03/05/10	COGENT COMMUNICATIONS, INC.	27	674.00
37405	03/05/10	DELTA DENTAL PLAN OF NJ	03	5,966.76
37406	03/05/10	ELIZABETHTOWN GAS	22	2,894.57

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
37407	03/05/10	PITNEY BOWES, INC.	48	82.00
37408	03/05/10	PSE&G COMPANY	19	41,165.51
37409	03/05/10	PURCHASE POWER	48	68.41
37410	03/05/10	ST JUDE CHILDREN'S	18	100.00
37411	03/05/10	STANDARD INSURANCE COMPANY	03	2,180.54
37412	03/05/10	STAPLES CREDIT PLAN	27	42.04
37413	03/05/10	TREASURER - STATE OF NJ	37	504.00
37414	03/05/10	UNITED PARCEL SERVICE	48	84.90
37415	03/05/10	VISION SERVICE PLAN	03	1,255.80
37416	03/05/10	WOODRUFF ENERGY	22	6,165.59
37417	03/18/10	A TOUCH OF ITALY	49	246.10
37418	03/18/10	MARIA VASSALLO ABRAM	49	113.85
37419	03/18/10	ADP, INC.	03	170.28
37420	03/18/10	ADP, INC.	16	2,789.63
37421	03/18/10	ALL AMERICAN SEWER SERVICE INC.	32	1,500.00
37422	03/18/10	AMERICAN WEAR	32	1,203.00
37423	03/18/10	ASSOCIATED AUTO PARTS	35	125.34
37424	03/18/10	ASSOC. OF ENVIRONMENTAL AUTH.	31/49	1,800.00
37425	03/18/10	BOWCO LABORATORIES, INC.	32	63.00
37426	03/18/10	CHRISTOPHER J. BRINKER	31	99.90
37427	03/18/10	CANON BUSINESS SOLUTION	16	888.60
37428	03/18/10	HECTOR L. CARTAGENA	04	289.20
37429	03/18/10	CDW GOVERNMENT, INC.	13/27/32	1,956.64
37430	03/18/10	CHARLES F. CONNOLLY DIST. CO.	32	36.10
37431	03/18/10	ALLEN CHIN	49	170.00
37432	03/18/10	CITY OF RAHWAY-UNITED WATER RES.	33	2,640.92
37433	03/18/10	COSPER ENVIRONMENTAL SERVICES	41	800.00
37434	03/18/10	CSL SERVICES, INC.	30	24,205.00
37435	03/18/10	D2L ASSOCIATES, INC.	42	2,480.00
37436	03/18/10	DAVID WEBER OIL COMPANY	32	1,511.50
37437	03/18/10	DON LONGO INC.	32	95.95
37438	03/18/10	DRAPKIN PRINTING CO., LLC	12	640.00
37439	03/18/10	LOUIS DUPLESSIS	04	289.20
37440	03/18/10	ELIZABETHTOWN GAS	22	9,211.10
37441	03/18/10	ENFOTECH & CONSULTING, INC.	27	1,500.00
37442	03/18/10	ELIZABETHTOWN GAS	22	8,794.50
37443	03/18/10	FEDERAL ELEVATOR INCORPORATED	31	575.00
37444	03/18/10	FEDEX	48	118.97
37445	03/18/10	FISHER SCIENTIFIC	40	552.68
37446	03/18/10	FLEXLINE	32	27.43
37447	03/18/10	ANTHONY GENCARELLI	11/31	208.00
37448	03/18/10	W.W. GRAINGER, INC.	32	1,478.71
37449	03/18/10	GARY W. GRAY TRUCKING, INC.	25/26	68,200.76
37450	03/18/10	GREENBAUM, ROWE, SMITH & DAVIS	08	102.50
37451	03/18/10	GREENWOOD PRODUCTS, INC.	40	361.44
37452	03/18/10	HACH COMPANY	40/41	1,172.43
37453	03/18/10	HOME DEPOT CREDIT SERVICES	32	741.02
37454	03/18/10	KASON CORPORATION	32	597.95
37455	03/18/10	SARAH KEYSER	31	598.50
37456	03/18/10	EDWARD KOCHICK	15	45.00
37457	03/18/10	LIBERTY MUTUAL INSURANCE GROUP	17	12,261.55
37458	03/18/10	RICHARD LoFORTE	49	99.00

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
37459	03/18/10	LONGO ELECTRICAL-MECHANICAL.	32	2,000.72
37460	03/18/10	ROBERT G. LUBAN	49	752.85
37461	03/18/10	FRANK G. MAZZARELLA	49	128.85
37462	03/18/10	McELROY, DEUTSCH, MULVANEY	08	11,760.98
37463	03/18/10	MCMASTER-CARR SUPPLY CO.	32	973.40
37464	03/18/10	MONMOUTH TRUCK EQUIPMENT	35	191.00
37465	03/18/10	MOTION INDUSTRIES, INC.	32	241.47
37466	03/18/10	ROBERT MRASZ	04	289.20
37467	03/18/10	MSC INDUSTRIAL SUPPLY CO.	32	523.51
37468	03/18/10	JAMES J. MURPHY	49	167.85
37469	03/18/10	NJBIA	52	525.00
37470	03/18/10	TREASURER - STATE OF NJ	40	1,032.00
37471	03/18/10	NJ MANUFACTURERS INSURANCE CO.	17	19,072.00
37472	03/18/10	NJ WATER ENVIRONMENT ASSOCITES	31	1,182.00
37473	03/18/10	NORTH EAST TECHNICAL SALES	43	139.95
37474	03/18/10	NORTHERN SAFETY CO., INC.	31	1,354.89
37475	03/18/10	OLSEN'S BRAKE SERVICE	35	771.00
37476	03/18/10	ONE CALL SYSTEMS, INC.	32	15.40
37477	03/18/10	JOAN PAPAN	49	140.01
37478	03/18/10	DAVID PATRICK	15	70.00
37479	03/18/10	PAULUS, SOKOLOWSKI & SARTOR	06	10,830.43
37480	03/18/10	EDMUND PETROSKY	04	289.20
37481	03/18/10	ROBERT POLTZ	27	72.99
37482	03/18/10	POLYDYNE INC.	23	32,470.00
37483	03/18/10	PSE&G COMPANY	19	413.31
37484	03/18/10	QC LABORATORIES	41	1,841.00
37485	03/18/10	RAHWAY GLASS SHOPPE	18	35.00
37486	03/18/10	RAHWAY VALLEY SEWERAGE AUTH.	01/02	176,686.80
37487	03/18/10	RVSA PETTY CASH	14	234.79
37488	03/18/10	ROBERT SAFCHINSKY	15	25.00
37489	03/18/10	SAFETY-KLEEN CORP.	32	286.09
37490	03/18/10	ANDREW SASSO	15	148.50
37491	03/18/10	COLONEL SATTERWHITE	04	289.20
37492	03/18/10	DARREN SCHIPPE	31	28.50
37493	03/18/10	PAUL SEFRANKA	49	90.99
37494	03/18/10	WILLIAM SEIBOTH	04	578.40
37495	03/18/10	SISSCO MATERIAL HANDLING	31	1,250.00
37496	03/18/10	STAR LEDGER	12	75.40
37497	03/18/10	STORR TRACTOR COMPANY	35	73.28
37498	03/18/10	DONALD STUART	04	289.20
37499	03/18/10	SUNBELT RENTALS	32	2,305.00
37500	03/18/10	GEORGE SZOTAK	04	578.40
37501	03/18/10	TREASURER - STATE OF NJ	37	200.00
37502	03/18/10	TURTLE & HUGHES INC.	32	1,510.18
37503	03/18/10	UNITED STATES PLASTIC CORP.	40	214.82
37504	03/18/10	US FILTER/SIEMENS WATER TECH.	40	1,160.00
37505	03/18/10	U.S. HEALTHWORKS MEDICAL	50	686.00
37506	03/18/10	ATTILIO S. VENTURO	49	136.95
37507	03/18/10	VERIZON	11/30	2,564.31
37508	03/18/10	WEINER LESNIAK LLP	07	16,096.10
37509	03/18/10	921-GTS-WELCO	32	601.48
37510	03/18/10	WESTFIELD LEADER NEWSPAPER	18	28.00

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
37511	03/18/10	WIPE-TEX INTERNATIONAL	32	40.00
37512	03/18/10	WOODRUFF ENERGY	22	23,049.25
37513	03/18/10	ARTHUR M. WRIGHT, JR.	04	578.40

Total Operating Fund Checks: 111
 Total Void Checks: 0
 Total Amount Void: \$0.00
 Total Amount Paid: \$624,362.34

Total All Checks: 118
 Total Void Checks: 0
 Total Amount Void: \$0.00
 Total Amount Paid: \$1,057,922.90

OPERATING FUND 0-01 \$624,362.34
 BUILDING & EQUIP FUND 0-02 \$433,560.56
 TOTAL OF ALL FUNDS: \$1,057,922.90

Mr. Greet stated that the invoice from Cipolla Co. LLC was quit high and wanted to know if this would be a monthly item. Mr. Materna noted that it is based on time spent. Counsel advised that he has no idea what the average billing is going to be. Mr. Mazarella asked if Counsel knew how many months Cipolla would be working for the Authority on this matter. Counsel responded that it would be throughout the duration of the litigation, how ever long that lasts. Mr. Greet asked if the bill would lessen due to the level of effort. Counsel responded that it would at some point. Mr. LoForte asked if this was coming out of a specific account. Mr. Materna stated that it is being charged against the construction fund.

Open the Floor to the Public

No one addressed the Board.

Closed Session

Mr. Chin made a motion to go into closed session at 7:57 p.m. for discussion of personnel and legal matters based on Attorney/Client privilege. The motion was seconded by Mr. Mazarella and approved by those present. The Chairman asked that everyone leave the room with the exception of the Commissioners and Counsel.

Mr. Chin made a motion, seconded by Mr. Mazarella, to return to regular order of business at 8:55 p.m. The motion was approved by those present.

Regular Order of Business

The following Resolution #10-15 was offered by Mr. Chin, on motion of Mr. Chin, and seconded by Mr. Mazarella. The resolution was approved by those present. Mr. Murphy and Mr. Sefranka were absent.

RESOLUTION #10-15

WHEREAS, the Rahway Valley Sewerage Authority (Authority) received a proposal from CME Consulting & Municipal Engineers, 3141 Bordentown Avenue, Parlin, NJ 08859; for Comprehensive Engineering Services for support on litigation of Contract #105, this Contract #105-L (2); and

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

WHEREAS, the Authority received qualifications from CME Consulting & Municipal Engineers on March 16, 2010, and subsequently received their rate schedule which reflect an hourly rates of: Partner @\$213.00/hr, Principal @210.00/hr., Sr. Proj. Mgr. @208.00/hr., Proj. Mgr. @\$206.00/hr., Prof. Eng. @\$195.00/hr., Sr. Proj. Eng. @\$176.00/hr. and other rates per rate schedule through January 1, 2011 to be part of said Agreement, total contract not to exceed \$150,000.00; and

WHEREAS, the Secretary-Treasurer of the Authority hereby certifies that funds for said contract will be budgeted for in the 2010 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that the Rahway Valley Sewerage Authority engage CME Consulting & Municipal Engineers to perform the services described herein at the aforementioned hourly rates, total not to exceed \$150,000.00; and

BE IT FURTHER RESOLVED that a Professional Service Contract 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.

Adjournment

As there was no further business, on motion of Mr. Mazarella, seconded by Mrs. Papen, the meeting adjourned at 9:02 p.m. The motion was unanimously approved by those present.

Robert J. Materna
Robert J. Materna, Secretary-Treasurer

JG/jg
Attachments