

**RAHWAY VALLEY SEWERAGE AUTHORITY**

**Summary of Minutes**

**Regular Meeting held July 15, 2010**

- Minutes  
Approved the Regular Minutes of June 17, 2010.
  
- Communications  
One OPRA Request.
  
- Treasurers Reports  
The Treasurer Reports for the month of May 2010 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, Finance, Insurance, Personnel and Public Relations Committees.
  
- Unfinished Business  
None.
  
- New Business  
Approved the following: Security Purchase and 2009 Audit Report.
  
- New Business (Cont'd.)  
Approved the following expenditures: Amend Contract #159E with PS&S in an amount of \$23,200.00; Settlement of Contract #144 with Marvec Construction; Award of Contract #162 – Roof Replacement to Integrity Roofing Inc. of Rahway, NJ in an amount of \$183,340.00; Award Contract #1021E – Insurance to NJ Mfg. Ins. Co. of Trenton, NJ in an amount of \$171,714.00; and Award Contract #1021F – Insurance to BGIA of Woodbridge, NJ in an amount of \$190,464.00.
  
- Bills & Claims

OPERATING FUND	0-01	\$1,037,687.65
BUILDING & EQUIPMENT FUND	0-02	<u>\$285,217.31</u>
TOTAL ALL FUNDS		\$1,322,904.96

**RAHWAY VALLEY SEWERAGE AUTHORITY**

**Regular Meeting Minutes – July 15, 2010**

The Chairman called the meeting to order at 8:10 p.m.

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

In accordance with the requirements of the Open Public Meetings 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 forwarded to The Star Ledger, the Home News Tribune and the Clerk of each of the eleven member municipalities on February 9, 2010 and July 13, 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
James J. Murphy	for the Township of Cranford
Joan Papen	for the Township of Scotch Plains
* Paul M. Sefranka	for the City of Rahway

\* Mr. Sefranka left the meeting at 8:58 p.m. and Mr. Mazzarella left the meeting at 10:20 p.m., both during Closed Session.

The following member was absent:

Attilio S. Ventura	for the Borough of Roselle Park
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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:

John Buonocore	RVSA Staff Engineer
Dan Ward	RVSA Maintenance Manager
Robert Butvilla	Suplee, Clooney & Co.
Karen Schmicker	Suplee, Clooney & Co.
Joseph Cipolla	Cipolla & Co.
Bryan Hallberg	Cipolla & Co.
Elliott Caroon	The Star Ledger
Wayne Baker	Westfield Leader

### **Approval of Minutes**

Mrs. Papen made a motion, seconded by Mr. Chin, to approve the minutes of the Regular Meeting held June 17, 2010. The motion was approved by those present with the exception of Mrs. Abram and Mr. Sefranka who abstained. Mr. Venturo was absent.

### **Communications**

An OPRA request was received July 13, 2010 from Elliot Caroon of the Star Ledger regarding Contract #105. A response will be sent in the next few days.

### **Report of Treasurer**

The Treasurer's Reports for the month of May 2010 have been distributed to the Commissioners for review and will be attached to the minutes. So ordered.

Mr. Robert Butvilla and Mrs. Karen Schmicker from Suplee Clooney & Co., the Authority's Auditors are present this evening to discuss the 2009 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 audit process was nice and neat, the records were in good shape, we had a lot of cooperation from the staff and everyone does a good job. We have no findings, comments and or recommendations. The Authority's unrestricted fund balance at December 31, 2009 was of \$4.9 million. The Authority used \$4.3 million of that amount to fund the 2010 Budget.

Mr. Mazarella stated that he read the audit and asked that through all of our accounting records, there is not one comment. Mr. Butvilla stated that was correct. Mr. Mazarella stated so "everything" is in perfect condition. Mr. Butvilla stated that when they are doing an audit, they are not looking at every single transaction; he noted they pull a sampling of records... contracts, vouchers, invoices, etc. Mr. Butvilla added that there are very good internal controls at the Authority.

Mr. Murphy stated that you mentioned the \$4.9 million dollars of unrestricted balance at the end of 2009 and of that, the Authority used \$4.3 in the 2010 budget.

Mr. Chin stated that he just wanted to comment that \$4.3 million went to the towns to reduce the

2010 assessments. Mr. Butvilla stated that is correct. Mr. Chin added so there is very little surplus left. Mr. Butvilla stated that was also correct. Mr. Chin added we advised the towns to expect an increase in the 2011 assessments because of this. Mr. Butvilla stated that may be so, but he was not aware of that. Mr. Materna stated that we did use a significant amount of surplus to reduce the 2010 budget. Mr. Chin added that we will have to have a slim 2011 budget.

As there were no further comments, Mr. Butvilla and Mrs. Schmicker thanked the Board for their time and left the meeting.

### **Report of Executive Director**

Robert Valent, Acting Co-Executive Director gave the following report.

#### **Sewer Treatment Endorsements**

The following is a list of Sewer Treatment Endorsements processed between 6/16/10 and 7/14/10. 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>
1189-10-RW	06/18/10	MF Speed Construction LLC	Rahway
1190-10-RW	06/28/10	JW Rufolo/Rufolo Property Mgmt.	Rahway
1191-10-WB	07/01/10	Gregory Wittmann	Woodbridge
1192-10-KW	07/02/10	Vincent Paparatto/Paparatto Construction	Kenilworth
1193-10-KW	07/02/10	Vincent Paparatto/Paparatto Construction	Kenilworth
1194-10-WB	07/02/10	Woodbridge Restaurant LLC	Woodbridge
1195-10-WB	07/06/10	Zappia IWV LLC / Frank Zappia	Woodbridge
1196-10-WB	07/06/10	Zappia IWV LLC / Frank Zappia	Woodbridge
1197-10-WB	07/14/10	Mukul Dave	Woodbridge

#### **Monthly Reports**

The following reports were received and distributed to the Commissioners:

- PS&S Monthly Engineering Report
- Weiner Lesniak – Monthly Report
- RVSA Purchase Orders in Excess of \$1500.
- RVSA Monthly Operations Report
- IPP Monthly Report (May)

#### **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 invoices (Amendment #26 & #27) in the amounts of \$6,170.00 and \$8,363.42 (total \$14,533.42) total amended contract amount of \$2,708,994.98. A motion is on the agenda under New Business.

Contract #144 Trunk Sewer Rehab

Counsel has provided a resolution for action regarding a settlement between the Authority and Marvec Construction for the close out of this contract. Action is on the agenda under New Business.

Contract #159-E Engineering on Chemical Handling & Feed System

PS&S submitted a request for additional monies associated with this contract. The contract was initially supposed to be completed in June; however, due to delays associated with coordination of equipment supply and SCADA issues, the contract is not yet completed. PS&S is seeking an additional \$23,200 for services (including work being performed by CDM on the SCADA); total amended contract amount of \$180,900.00. A motion is on the agenda under New Business.

Mr. Greet asked why this contract has been delayed. Mr. Valent stated that there have been problems integrating the new system with the SCADA system. Mr. Valent noted that Contract #159 was originally included in Contract #155 but was separated for various reasons. Mr. Greet asked if the problem was the contractor's problem, a design problem or what. Mr. Valent stated he was not one hundred percent sure whose fault it is and that we are just working to get the system on line. Mr. Greet stated that if it's a delay of contract, then we should be going back after the contractor for these costs. Mr. Valent stated that he would keep that under advisement.

Mr. Wancho stated that the initial issue came up because we needed the contractor on this contract to use the SCADA integrator that was used on Contract #155, which then created a situation whereby we ended up having to negotiate that work into this contract, so that there would not be any issues with the integration in the new SCADA System.

Mrs. Papen asked whose idea was it to use this integrator. Mr. Wancho stated that it was decided for safety sake to not have a different integrator work in the Authority's SCADA system; to not use one different than the one that was included in the initial contract #155. It was felt in the long run that it would be safer to have the same integrator work in there; and it is. Mrs. Papen asked what an integrator is. Mr. Wancho stated that he is the programmer of the entire SCADA system – he takes all the instrumentation systems and brings them into one system and programs them so they all work in concert with each other. Mr. Wancho added to have a new person go into the SCADA system was more dangerous than allowing this contract to be extended. Mr. Wancho noted that we had to negotiate with the current contractor to get him to use this integrator, since he had planned on using someone else.

John Buonocore added that the contractor did drop off a revised schedule this afternoon, but added that he hadn't had a chance to go over the new schedule yet. The completion is now supposed to be in October, which includes the 10 day startup, training, etc.

Mr. Sefranka stated that the contractor is not coming back at us for additional money however PS&S and the professionals are. Is this the end or will there be additional money on top of this? Mr. Wancho stated that in all due respect, PS&S is asking for far less than they have in unbilled labor.

Contract #162 – Roof Replacement - REBID #1

A Request For Bids was published in the Star Ledger and posted on the Authority's website. Eight vendors picked up bid packages for this contract and three bids were received on July 8, 2010 as noted below.

<u>Company</u>	<u>Amount</u>
Integrity Roofing, Inc. Rahway, NJ	\$183,340.00
Arista Builders & Designers Jackson, NJ	\$286,800.00
Pravco, Inc. Rahway, NJ	\$387,200.00

The documents were sent to the Consulting Engineer and Counsel for review. Counsel found the bids to be in order and the Consulting Engineer provided a bid report and is recommending that the contract be awarded to Integrity Roofing in the amount of \$183,340.00. A motion is on the agenda under New Business.

Contract #1011 – 2010 Air Emissions Testing Services

A Request For Proposals was posted on the Authority's website and notice was sent to three vendors. Four Proposals were received on July 13, 2010 as follows:

<u>Company</u>	<u>Amount</u>
LCH Consulting Associates Elverson, PA	\$64,450.00
Peregrine Technical Services Quakertown, PA	\$68,015.00
O'Brien & Gere Engineers Inc. East Norriton, PA	\$75,800.00
Avogadro Environmental Corp. Easton, PA	\$100,190.00

The documents are being reviewed by Anthony Gencarelli, Manager of Regulatory Compliance and also by Counsel. Action on this contract is being deferred to the August meeting.

Contract #1021 – 2010 Insurance

A Request For Proposals was posted on the Authority's website and notice was sent to five vendors. Five Proposals were received on July 7, 2010 as follows:

<u>Company</u>	<u>Amount</u>	
NJ Mfg. Ins. Co. West Trenton, NJ	\$171,714.00	Workers Comp Coverage
Business & Government Ins. Agency Woodbridge, NJ	\$94,874.00	Liability Coverage
	<u>\$95,590.00</u>	Property Coverage
	\$190,464.00	Sub-total
	\$205,684.00	Workers Comp Coverage
John M. Glover Ins. Agency Parsippany, NJ	\$114,833.00	Liability Coverage
	\$100,295.00	Property Coverage
Amalgamated General Agency Westfield, NJ	\$130,901.00	Liability Coverage
USI (Liberty Mutual) Roseland, NJ	\$145,075.00	Property Coverage

The proposals were reviewed by Robert Materna and Counsel. Both found the low proposer's documents to be in order. Robert Materna prepared an overview of the proposals; a copy of which was distributed to the Commissioners and discussed at an Insurance Committee Meeting held earlier this evening. Action is on the agenda under New Business to award the contract for insurance coverage to NJ Mfg. Ins. for Workers Compensation and BGIA for Property and Liability.

### **Report of Consulting Engineer**

The following report to the Authority Board summarizes our activities for the period of June 12, 2010 through July 9, 2010.

#### **Trunk Sewer Rehabilitation - Contract #144**

Counsel has indicated that a tentative settlement has been reached.

#### **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.

#### **Contract #159 Chemical Feed System Improvements**

Work has continued in both the Headworks and Pump and Blower Buildings. The work includes installation of the following: HVAC equipment, ductwork, pipe insulation, dilution water piping,

and conduit and wire runs to various electrical devices/field instruments. Modification to the local area panels including programming for the instrumentation and control system. In addition, the contractor's on-going testing includes dilution water piping, and chemical piping. A revised construction schedule was received indicating a contract completion date of June 24, 2010; PS&S has requested a schedule to complete and is awaiting this submittal.

#### Contract #162 Administration Building Roof

Bids received on June 8th were rejected at the June Board Meeting. Rebid documents were prepared and made available to prospective contractors. Bids were again received on July 8th. There were three bidders with a range in bids from \$183,340 to \$387,200. The apparent low bidder was again Integrity Roofing. The estimate for the project is \$175,000. PS&S is reviewing the bid documentation and a bid report will be prepared prior to the Board Meeting.

#### Miscellaneous General Consulting

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

Evaluation of gas line to the Service Building boilers, site visit to review alternatives and design services in preparation of bid documents.

Review of revised Middlesex County Park project drawings for impact with the outfall.

#### User Charge and Flow Rights Reports

Based on the June Board meeting the recommendation to eliminate flow rights exceedances that occurred on March 14, 15, 22, 29 and 30 was agreed upon. Therefore the April Flow Rights Reports, covering March do not need to be revised.

PS&S will finalize July Flow Rights and User Charge reports when the data has been received.

#### Report of Counsel

The following is a summary of all General Counsel services that have been provided by this office to the Rahway Valley Sewerage Authority for the time period covering June 16, 2010 through July 12, 2010.

#### CSP Improvements & related issues

##### Contract #155 – Plant Upgrade

A mediation session with respect to the electrical subcontractor's remaining claim which was filed against the Authority was held on May 10, 2010. No resolution of the claim was reached at that time. An additional date has been scheduled for July 27, 2010. This matter may be discussed in Executive Session.

Contract #105 - 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 3rd 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 had extensive consultations with the Authority’s damages expert, Cipolla & Co., LLC and Authority staff regarding the case. In addition, notices have been sent by this office to existing parties as well as a number of additional parties that the Authority will be bringing into the litigation.

This matter will be discussed in further detail in Executive Session.

MiscellaneousContract #144 - Trunk Sewer Rehabilitation

Mediation sessions regarding the contractor’s claims were held at the Authority’s offices on January 12, 2010 and on March 16, 2010. A settlement has been reached subject to Board approval. A resolution authorizing the proposed settlement will be on the agenda for the Board’s consideration. This matter will be discussed in Executive Session.

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. Meetings of the subgroup have been held with and without the Special Master in order to discuss the structure of ADR discussions. In addition, this office has sent notices to all insurance carriers that that could be identified that issued policies to the Authority from approximately 1959 to the present. A number of these insurance carriers have agreed to provide the Authority with coverage subject to a reservation of rights. This matter may be discussed in Executive Session.

### **Committee Reports**

The Chairman asked for the reports from the following Committees:

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

No report.

#### 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. Action is on the agenda under Bills and Claims.

#### Insurance Committee (James Murphy, Chairman)

Mr. Murphy stated that an Insurance Committee Meeting was held earlier this evening at which time the Proposals received on July 7, 2010 were discussed. Action is on the agenda under New Business.

#### Legal Committee (Frank Mazarella, Chairman)

No report.

#### Personnel Committee (Rene Dierkes, Chairman)

Mr. Dierkes stated that a Personnel Committee Meeting was held earlier this evening. Any action required will be taken under New Business.

#### Public Relations Committee (Paul Sefranka, Chairman)

Mr. Sefranka stated that the Public Relations Committee and staff will begin working on the 2010 Newsletter. Suggestions of topics to be covered can be sent to Joanne Grimes.

#### Security Committee (Steve Greet, Chairman)

No report.

Sludge Management Committee (Attilio Venturo, Chairman)

No report.

Unfinished Business

None.

New Business

The following Resolution #10-39 was offered by Mrs. Papen, on motion of Mrs. Papen, and seconded by Mr. Murphy and approved by those present with the exception of Mr. Chin who abstained. Mr. Venturo was absent.

RESOLUTION #10-39

BE IT RESOLVED that the officers of the Rahway Valley Sewerage Authority be and are hereby authorized to invest the following for the Capital Replacement Fund to mature on October 2, 2010:

<u>Amount</u>	<u>Rate</u>	<u>Bank</u>
\$1,560,591.78	0.35%	Two Rivers Community Bank, Middletown, NJ

The following Resolution #10-40 was offered by Mrs. Papen, on motion of Mrs. Papen, and seconded by Mr. Sefranka and approved by those present. Mr. Venturo was absent.

RESOLUTION #10-40

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, 2009, 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, 2009, 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 #10-41 was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mr. Murphy and approved by those present with the exception of Mr. Sefranka who voted against. Mr. Ventura was absent.

RESOLUTION #10-41

WHEREAS, the Rahway Valley Sewerage Authority previously approved Resolutions #08-49, #08-84 and related Agreements for Contract #159-E, for the purpose of engaging Paulus, Sokolowski & Sartor (PS&S), 67A Mountain Blvd. Ext., Warren, NJ, for Professional Services specifically related to Contract #159-E Chemical Feed Systems; and

WHEREAS, the Authority has determined that there is a need to amend this agreement to provide for Engineering Services related to the additional unforeseen 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 \$23,200.00; 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 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 \$157,700; be and are hereby amended to provide for the increased contract amount of \$23,200.00 resulting in a total contract not to exceed \$180,900.00; and

BE IT FURTHER RESOLVED that the Chair 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 #10-42 was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mrs. Papen and approved by those present. Mr. Ventura was absent.

RESOLUTION #10-42

RESOLUTION AUTHORIZING AND RATIFYING A SETTLEMENT BY AND BETWEEN THE RAHWAY VALLEY SEWERAGE AUTHORITY AND MARVEC CONSTRUCTION CORP. IN CONNECTION WITH CONTRACT #144, TRUNK SEWER REHABILITATION

WHEREAS, on August 10, 2006, the Rahway Valley Sewerage Authority (the "Authority") awarded Contract #144, Trunk Sewer Rehabilitation to Marvec Construction Corp. ("Contractor"), P.O. Box 216, 251 ½ Grove Avenue, Verona, N.J. 07044, for the low bid of \$1,449,999; and

WHEREAS, the Contractor has presented the Authority with various claims for extra compensation based on purported delays totaling \$505,507.62; and

WHEREAS, the Authority maintained claims against the Contractor for liquidated damages, construction observation costs and credits against the Contract totaling \$489,439.00; and

WHEREAS, presently there is a contract balance in the amount of \$99,413.09 representing remaining work balance, including unpaid unit prices and allowances, and retainage; and

WHEREAS, the Authority and the Contractor have reached a settlement of all claims that is agreeable to the Authority and the Contractor.

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:

1. The Authority and the Contractor have agreed to a settlement of all outstanding issues in connection with Contract No. 144 whereby the Authority has agreed to pay the Contractor the sum of Two Hundred and Twenty-five Thousand Dollars and 00/cents (\$225,000), representing payment for Contractor's delay claims as well as remaining work balance and retainage.
2. The Authority hereby ratifies the settlement amount set forth herein and authorizes the payment of such sum to the Contractor's counsel only upon the receipt of a release executed by the Contractor that shall be acceptable to the

Authority's counsel.

3. 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.
4. This Resolution shall take effect immediately and/or as required by law.

Mr. Chin made a motion, seconded by Mrs. Abram, to award Contract #162 – Roof Replacement REBID, to the lowest responsible bidder, Integrity Roofing, Inc. of Rahway, NJ, in an amount of \$183,340.00, as recommended by the Consulting Engineer. The motion was approved by those present. Mr. Venturo was absent.

The following Resolution #10-43 was offered by Mr. Murphy, on motion of Mr. Murphy, seconded by Mr. Mazzarella.

Mr. Chin stated he was upset that he received the information regarding the insurance proposals a half hour before the meeting. He added that he is on the insurance committee and felt he should have received it earlier to review it. He noted that he planned to abstain.

Mrs. Grimes responded that a spreadsheet with all the information regarding the bids received on the Insurance was sent to all of the Commissioners on Tuesday, July 13 with the other Board meeting information.

After a brief discussion, the Chairman called the vote. The motion was approved with the exception of Mr. Chin, Mr. Mazzarella and Mrs. Papen who abstained. Mr. Venturo was absent.

RESOLUTION #10-43

WHEREAS, the Rahway Valley Sewerage Authority solicited and received a proposal for insurance coverage related to Workers Compensation, Contract #1021; and

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

WHEREAS, the Secretary-Treasurer of the Authority, who is the Chief Financial Officer, hereby certifies that funds for said contract are available in the 2010 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that based on the proposal received from New Jersey Manufacturers Insurance Company, the Rahway Valley Sewerage Authority hereby awards Contract #1021-E for the placement of its Workers Compensation Insurance to New Jersey Manufacturers Insurance Company, West Trenton, NJ 08628, in an estimated amount of \$171,714.00, subject to the finalization of New Jersey surcharges and adjustments of Insurance Values and dividends; and

BE IT FURTHER RESOLVED that the insurance program being awarded as noted above is for the period from July 25, 2010 to July 25, 2011; and

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

The following Resolution #10-44 was offered by Mr. Murphy, on motion of Mr. Murphy, seconded by Mr. Sefranka.

Mr. Chin reiterated his comments, in that he hadn't received the information in advance. Mr. Murphy stated that Mr. Materna had sent an email which reflected that the proposal from BGIA would save the Authority about \$85,000.00 and added that BGIA had provided the Authority service in the past which the Authority had no problems with. Mr. Murphy added that in his opinion, based on the proposals received, there was no question of who to award to.

Mrs. Grimes stated that our current Broker of Record, AGA, reviewed the bids and although they were not the low bidder this year, they advised that the low bid submitted by BGIA was in order and provided the same level of coverage that the Authority presently has.

Mr. Murphy apologized for not having called the other Commissioners on his Committee, however, he felt that there would be minimal discussion as this resulted in a significant savings to the Authority.

Mr. Chin stated that he hoped we are getting the same coverage and the same things throughout the policies. Mr. Murphy stated that we had experts review it and advised that it is the same coverage. After brief discussion, the motion was approved with the exception of Mr. Chin, Mr. Mazzarella and Mrs. Papen who abstained. Mr. Ventura was absent.

RESOLUTION #10-44

WHEREAS, the Rahway Valley Sewerage Authority solicited and received a proposal for insurance coverage related to its Property and Equipment, Contract #1021; and

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

WHEREAS, the Secretary-Treasurer of the Authority, who is the Chief Financial Officer, hereby certifies that funds for said contract are available in the 2010 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that based on the proposal received from Business & Governmental Insurance Agencies (BGIA) of Woodbridge, NJ, the Rahway Valley Sewerage Authority hereby awards the placement of its Liability and Property and Equipment Insurance in an estimated amount of \$190,464.00, subject to the finalization of surcharges and adjustments of Insurance Values; and

BE IT FURTHER RESOLVED that the insurance program being awarded as noted above is for the period from July 25, 2010 to July 25, 2011; and

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

**Bills and Claims**

Mrs. Papen made a motion, seconded by Mr. Murphy, that the following bills and claims previously audited by the Finance Committee be ordered paid.

Mr. Mazzarella moved to amend the motion to pull the payment for Cipolla & Co. from the bills list to be considered separately. Mr. Sefranka seconded the motion to amend.

Mr. Mazzarella stated that he wants more information to be provided on the Cipolla invoices before he can consider voting on their invoices.

Mr. Mazzarella stated that he could not vote in favor of the motion unless the bill from Cipolla & Co. was removed or additional justification was provided regarding the bill. Mrs. Papen stated that Mr. Cipolla discussed this with the Commissioners at the Engineering Committee Meeting in Executive Session. Mr. Mazzarella responded that he is an extension of his community and his community would like to see itemized bills.

Mr. Sefranka moved to table the payment to Cipolla & Co. The motion was seconded by Mr. Murphy and a roll call vote was taken.

<u>AYES</u>	<u>NAYES</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Clark	Kenilworth		Roselle Park
Cranford	Mountainside		
Garwood	Scotch Plains		
Rahway	Westfield		
Springfield	Woodbridge		

As the vote was a tie, the motion was defeated.

The Chairman called the question on Mr. Mazzarella’s amendment to act on Invoice #2545 separately. The motion was approved by those present.

The Chairman then called the vote on the Bills & Claims as moved. The motion was approved by those present. Mr. Venturo was absent.

**BUILDING & EQUIPMENT FUND**

<u>CHECK</u>	<u>DATE</u>	<u>VENDOR</u>	<u>ACCT/LINE#</u>	<u>AMOUNT</u>
2543	07/15/10	A&A INDUSTRIAL PIPING, INC.	140.7	19,492.20
2544	07/15/10	CONSTRUCTION CLAIMS GROUP	140.7	3,494.70
2545	07/15/10	CIPOLLA & COMPANY, LLC	140.2	134,571.65
2546	07/15/10	CME ASSOCIATES	140.2	3,447.50

<u>CHECK</u>	<u>DATE</u>	<u>VENDOR</u>	<u>ACCT/LINE#</u>	<u>AMOUNT</u>
2547	07/15/10	CONSOLIDATED CONSTRUCTION MGT.	140.2/7	4,155.40
2548	07/15/10	PAULUS, SOKOLOWSKI & SARTOR	140.2/4/7	27,225.96
2549	07/15/10	WEINER LESNIAK LLP	140.2/4/7	92,829.90

**Total Building & Equipment Fund Checks: 7**

**Total Void Checks: 0**

**Total Amount Void: \$0.00**

**Total Amount Paid: \$285,217.31**

**OPERATING FUND**

<u>CHECK</u>	<u>DATE</u>	<u>VENDOR</u>	<u>ACCT/LINE#</u>	<u>AMOUNT</u>
202	07/06/10	NJ STATE HEALTH BENEFITS	03/04	80,186.75

**Total Operating Fund Manual Checks: 1**

**Total Void Checks: 0**

**Total Amount Void: \$0.00**

**Total Amount Paid: \$80,186.75**

**OPERATING FUND**

<u>CHECK</u>	<u>DATE</u>	<u>VENDOR</u>	<u>ACCT/LINE#</u>	<u>AMOUNT</u>
37857	06/24/10	BJ'S WHOLESALE CLUB	52	117.70
37858	06/24/10	MICHAEL J. BRINKER, JR.	04	663.00
37859	06/30/10	RAHWAY VALLEY SEWERAGE AUTH.	01/02	270,060.05
37860	07/06/10	DELTA DENTAL PLAN OF NJ	03	5,866.57
37861	07/06/10	STANDARD INSURANCE COMPANY	03	2,101.19
37862	07/06/10	VISION SERVICE PLAN	03	1,255.80
37863	07/06/10	MARIA VASSALLO ABRAM	49	323.85
37864	07/15/10	A TOUCH OF ITALY	49	123.05
37865	07/15/10	ADP, INC.	16	2,050.09
37866	07/15/10	ADVANTECH CORPORATION	32	607.68
37867	07/15/10	AMERICAN INDUSTRIAL SUPPLY	32	23.32
37868	07/15/10	AMERICAN WEAR	32	1,995.11
37869	07/15/10	APPLIED ANALYTICS, INC.	32	2,215.00
37870	07/15/10	AQUATIC SCIENCES CONSULTING	41	2,403.00
37871	07/15/10	ASSOCIATED AUTO PARTS	35	844.80
37872	07/15/10	BALCO INDUSTRIES INC.	31	118.00
37873	07/15/10	B & B DISPOSAL	32	750.00
37874	07/15/10	BOWCO LABORATORIES, INC.	32	63.00
37875	07/15/10	CANON BUSINESS SOLUTIONS, INC.	16	888.60
37876	07/15/10	CANON FINANCIAL SERVICES, INC.	16	273.11
37877	07/15/10	CASCADE WATER SERVICES	32	2,900.00
37878	07/15/10	CDW GOVERNMENT, INC.	27	1,753.77
37879	07/15/10	CERTIFIED SAFETY VALVE REPAIR	32	753.30
37880	07/15/10	RAHWAY, UNITED WATER RESOURCES	33	3,020.32
37881	07/15/10	COGENT COMMUNICATIONS, INC.	27	674.00
37882	07/15/10	CONSPEC CONTROLS, INC.	32	928.32
37883	07/15/10	CONTACT POWER INC.	32	3,239.73
37884	07/15/10	CSL SERVICES, INC.	41	24,680.00
37885	07/15/10	D2L ASSOCIATES, INC.	42	2,480.00
37886	07/15/10	DELL MARKETING L.P.	27	422.58

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
37887	07/15/10	ELIZABETHTOWN GAS	22	6,435.75
37888	07/15/10	EMSL ANALYTICAL INC.	31	52.50
37889	07/15/10	ENVIRONMENTAL RESOURCE ASSOC.	40	678.95
37890	07/15/10	ELIZABETHTOWN GAS	22	8,297.43
37891	07/15/10	EXCELSIOR BLOWER SYSTEMS, INC.	32	1,630.00
37892	07/15/10	FEDEX	48	27.02
37893	07/15/10	FISHER SCIENTIFIC	40	614.31
37894	07/15/10	FORD HALL COMPANY	32	280.60
37895	07/15/10	W.W. GRAINGER, INC.	32	437.03
37896	07/15/10	GARY W. GRAY TRUCKING, INC.	25/26	52,489.67
37897	07/15/10	GREAT LAKES ENVIRONMENTAL	41	434.33
37898	07/15/10	HACH COMPANY	40	699.45
37899	07/15/10	HESS CORPORATION	19	99,387.04
37900	07/15/10	HOME DEPOT CREDIT SERVICES	32	344.71
37901	07/15/10	INDEPENDENT OVERHEAD DOOR CO.	32	695.00
37902	07/15/10	JERSEY ELEVATOR COMPANY INC.	32	212.00
37903	07/15/10	KUEHNE CHEMICAL COMPANY	29	3,476.38
37904	07/15/10	LAB SAFETY SUPPLY, INC.	43	311.99
37905	07/15/10	MAFFEY'S SECURITY GROUP	32	85.00
37906	07/15/10	McELROY, DEUTSCH, MULVANEY	08	4,307.75
37907	07/15/10	MCMASTER-CARR SUPPLY CO.	32	630.26
37908	07/15/10	MECHANICAL SERVICE CORP.	32	523.00
37909	07/15/10	MOTION INDUSTRIES, INC.	32	6,151.35
37910	07/15/10	O'JOHNNIES, INC.	13	1,020.23
37911	07/15/10	OLSEN'S BRAKE SERVICE	35	211.00
37912	07/15/10	PAULUS, SOKOLOWSKI & SARTOR	06	8,212.72
37913	07/15/10	PITNEY BOWES, INC.	48	82.00
37914	07/15/10	PMK GROUP, INC.	08	4,420.00
37915	07/15/10	POLYDYNE INC.	23	16,745.00
37916	07/15/10	PRECISION ELECTRIC MOTOR WORKS	32	570.47
37917	07/15/10	PSE&G COMPANY	19	323.36
37918	07/15/10	PSE&G COMPANY	19	53,476.07
37919	07/15/10	PUMPING SERVICES, INC.	32	3,488.70
37920	07/15/10	PURCHASE POWER	48	1,218.99
37921	07/15/10	QC LABORATORIES	41	1,388.00
37922	07/15/10	RAHWAY ELECTRIC SUPPLY CO.	32	1,396.83
37923	07/15/10	RAHWAY VALLEY SEWERAGE AUTH.	01/02	155,682.46
37924	07/15/10	RVSA PETTY CASH	14	94.84
37925	07/15/10	SEMCOR EQUIPMENT & MFG. CORP.	32	547.00
37926	07/15/10	STAPLES CREDIT PLAN	27	832.61
37927	07/15/10	STAR LEDGER	12	575.36
37928	07/15/10	STORR TRACTOR COMPANY	35	451.44
37929	07/15/10	TD BANK, NA	09	4,140.00
37930	07/15/10	TD BANK, NA	09	19,882.50
37931	07/15/10	RICHARD P. TOKARSKI	04	579.00
37932	07/15/10	TREASURER - STATE OF NJ	40	88.90
37933	07/15/10	UNITED PARCEL SERVICE	48	85.69
37934	07/15/10	U.S. BANK NA	09	125,820.00
37935	07/15/10	US FILTER/SIEMENS WATER TECH.	40	392.20
37936	07/15/10	U.S. HEALTHWORKS MEDICAL	50	547.00
37937	07/15/10	VERITEXT NJ REPORTING CO.	08	1,618.00
37938	07/15/10	VERIZON CONFERENCING	11	263.19

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
37939	07/15/10	VERIZON	11/30	1,550.83
37940	07/15/10	VERIZON WIRELESS	11	852.36
37941	07/15/10	WEINER LESNIAK LLP	07	16,536.20
37942	07/15/10	921-GTS-WELCO	32	444.65
37943	07/15/10	WOODRUFF ENERGY	22	12,166.84

**Total Operating Fund Checks: 87**  
**Total Void Checks: 0**  
**Total Amount Void: \$0.00**  
**Total Amount Paid: \$957,500.90**

**Total All Checks: 95**  
**Total Void Checks: 0**  
**Total void Amount: \$0.00**  
**Total Amount Paid: \$1,322,904.96**

OPERATING FUND	0-01	\$1,037,687.65
BUILDING & EQUIPMENT FUND	0-02	<u>\$285,217.31</u>
TOTAL ALL FUNDS		\$1,322,904.96

Mrs. Papen made a motion to approved payment of Invoice #2545 to Cipolla & Co. The motion was seconded by Mr. Chin. The Chairman asked for a roll call vote.

<u>AYES</u>	<u>NAYES</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Cranford	Clark		Roselle Park
Garwood			
Kenilworth			
Mountainside			
Rahway			
Scotch Plains			
Springfield			
Westfield			
Woodbridge			

As the vote was a 9 to 1, the motion was approved.

**Open the Floor to the Public**

No one addressed the Board.

**Closed Session**

Mr. Chin made a motion to go into closed session at 8:58 p.m. for discussion of legal matters on Contract #105 and the Occidental Lawsuit, based on Attorney/Client privilege. The motion was seconded by Mr. Murphy and approved by those present.

\* Mr. Sefranka left the meeting at 8:58 p.m.

\* Mr. Mazzarella left the meeting at 10:20 p.m.

Mr. Chin made a motion, seconded by Mrs. Papen, to return to regular order of business at 10:25 p.m. The motion was approved by those present.

**Regular Order of Business**

**Adjournment**

As there was no further business, on motion of Mr. Chin, seconded by Mrs. Papen, the meeting adjourned at 10:26 p.m. The motion was unanimously approved by those present.

*Robert J. Materna ----*  
\_\_\_\_\_  
Robert J. Materna, Secretary-Treasurer

JG/jg  
Attachments