

**RAHWAY VALLEY SEWERAGE AUTHORITY**

**Summary of Minutes of  
Regular Meeting held July 16, 2009**

- Minutes  
None.
- Communications  
None.
- Treasurers Reports  
The Treasurer Reports for the month of June 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 Finance, Insurance, and Personnel Committees.
- Unfinished Business  
None.
- New Business  
Approved the following: Security Purchases; and Approved the Union Contract.
- New Business (Cont'd.)  
Approved the following expenditures: Award Insurance Coverage #0921B to NJ Manufacturers in an amount of \$160,686.00; Award Insurance Coverage #0921C to USI Insurance, agent for Liberty Mutual in an amount of \$161,136.00; Award Insurance Coverage #0921D to Amalgamated General Agencies, agent for Travelers/St. Paul/American Alternatives Ins. and Interstate Fire & Casualty (Firemans Fund), in an amount of \$133,014.00; and Amend PSA Contract #105-C with CCMS in an amount of \$39,565.63.

**RAHWAY VALLEY SEWERAGE AUTHORITY**

**Summary of Minutes of (Cont'd.)**  
**Regular Meeting held July 16, 2009**

-	Bills & Claims		
	Operating Fund	9-01	\$1,025,654.35
	Operating Fund – Manual Checks	9-01	70,195.88
	Building & Equipment Fund	9-02	<u>893,714.15</u>
	Total All Funds:		\$1,989,564.38

**RAHWAY VALLEY SEWERAGE AUTHORITY**

**Regular Meeting Minutes – July 16, 2009**

The Chairman called the meeting to order at 8:00 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 and again on July 14, 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:

Allen Chin	for the Town of Westfield
Rene Dierkes	for the Borough of Mountainside
Richard LoForte	for the Borough of Kenilworth
Charles P. Lombardo	for the Borough of Garwood
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

The following members were absent:

Robert G. Luban	for the Township of Woodbridge
Maria A. Abram	for the Township of Springfield

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:

John Buonocore	CCMS
Wayne Baker	The Westfield Leader

**Approval of Minutes**

None.

**Communications**

None.

**Report of Treasurer**

The Treasurer's Reports for the month of June 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 6/16/09 and 7/14/09. 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>
1118-09-CL	06/18/09	John Joy	Clark
1119-09-WB	06/24/09	Action Builders	Woodbridge
1120-09- WB	07/06/09	Berto Const./A. Vazquez	Woodbridge

**Monthly Reports**

The following reports were received:

- PS&S Monthly Engineering Report
- CCMS - Contract #105 – Cogeneration Facility
- CCMS - Contract #155 – WWTP Upgrade
- Weiner Lesniak – Monthly Update
- IPP Monthly Report

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

Correspondence was received and forwarded to the Commissioners regarding this contract. This matter requires discussion.

**Contract #158 – Outfall Line Repairs**

Montana Construction Corp. is working on this contract. The Consulting Engineer will report further on the status of this contract.

Contract #159 – CSP - Chemical Handling and Feed Systems

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

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

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

Contract #0925 - Insurance Archivist

R. F. Stumpf Associates, Inc. of Bloomingdale, NJ began work on this contract. They were at the Authority office on July 8, 2009 and reviewed several files. Counsel may report further on the status of this contract.

Contract #0824 – Lab Contract Services

This contract was awarded to AXYS Analytical Services in September of 2008. Since that time, the Authority has determined that there is a need for additional analytical services which are outlined in a memorandum prepared by Anthony Gencarelli, a copy of which was distributed to the Commissioners. Based on the memorandum, it is requested that the original contract amount of \$30,850.00 be amended for an additional \$14,650.00, total amended amount of \$45,500.00.

Mr. Brinker noted that he was off site for the past several days and hadn't had a chance to review the information provided by Mr. Gencarelli and therefore stated that he would like to remove this item from the agenda and defer action at this time.

Report of Consulting Engineer

The following report to the Authority Board summarizes our activities for the period of June 13, 2009 through July 10, 2009.

JCO Compliance/NJPDES Permit

PS&S reviewed a draft of the NJPDES permit.

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 finalized responses to these documents; this was forwarded by General Counsel to the Contractors Attorney on June 17th. The Contractor has requested mediation of his claims and

this is being coordinated by General Counsel.

### 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; and PS&S has been providing follow up with NJDEP regarding this request. 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.

### Cogeneration/Sludge Drying Facility – Engine Investigation

PS&S continues to assist the Authority and CCMS in follow-up activities related to the engine “backfire” events associated with engines 1, 2 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, and repair effort of engine 2 breeching system.

### Contract #158 Outfall Repair

PS&S issued the Notice to Proceed, effective Tuesday, May 26th, establishing a project completion date of September 2, 2009. On June 27th the Contractor, Montana Construction, began work on the outfall line repairs. To date Montana has cleaned and repaired approximately 25% of the pipe joints. PS&S is currently providing on site inspection of work.

### Contract #159 Chemical Feed System Improvement

PS&S is currently reviewing Contractor submittals. 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, installation of process piping, erection of containment walls, chemical tank support pads, conduit encasement and electrical conduit and supports.

#### Contract #160 Emergency Outfall

E.E. Cruz is currently working on the 003 chamber modifications; the chamber structure is complete. PS&S has reviewed the shop drawings for the gate and they were approved; the gate is in fabrication and PS&S continues to coordinate activities with CCMS.

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

PS&S issued the Notice to Proceed to the Contractor, Spectraserv, effective June 22nd. On June 27th Spectraserv began construction. To date Spectraserv has drained, cleaned, repaired, sandblasted and painted Sludge Storage Tanks 1 & 3. PS&S is currently providing on site inspection of work.

#### 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 will meet with the Authority to further discuss the situation. PS&S issued the Flow Rights reports for March and April at the May Board Meeting and the May report at the June Engineering Committee.

### **Report of Construction Management Consultant**

#### Contract #105 Cogen/Sludge Drying Facility

The following is our current monthly report for this project. We will provide a similar report each month for the review of the Authority.

Co-Generation and Sludge Drying Facility

Contract #105

Monthly Status Report

Report #67

Month Covered: June, 2009

#### Current Work

1. The balance of sitework, restoration and plantings were suspended until the start up issues are worked out.
2. Process Equipment: See Summary of Major Project issues below.
3. The sludge dryer has completed its 10 day performance test.
4. The engines have now been tested on all fuels.

Summary of Major Project Issues

All GE work has been completed and tested. The RVSA has received training on all major equipment with a few minor items left for training.

The electrical breakers and relays have been tested by an independent testing firm and the formal report is under review by the Design Engineer. The total remaining scope of work required for the entire electrical system is being coordinated with CCMS and the Contractor.

The required repairs from the stack event during the last 10-Day Operation Period have been completed. The Contractor was scheduled to restart the 10-Day Operation Period on June 12, 2009, however this has been postponed. The Caterpillar Commissioning Report recommended restraints be added to the engine exhaust breeching to limit excessive movement during startup. This was reviewed in the field with the support manufacturer and a design is being developed by PS&S. It was determined that the 10-Day Operation Period would not begin until the added supports are installed.

As a result of successful negotiations between CCMS, RVSA, and JH Reid, CCMS has issued two recent Change Orders to the Contractor. Change Order #11 was issued in the amount of \$1,979,314.00 for the purchase of two (2) stand-by diesel generators as approved by the Board of Commissioners at the last Board Meeting. Change order #12 was issued in the amount of \$72,620 as resolution of five outstanding claims by the Contractor.

Negotiations between all parties are being set up and the path forward to completion of all outstanding items will be established shortly. See Comments Below.

Financial Summary:

Base Contract (with allowances):	\$ 17,133,295.00
Amendments to Date (see below):	\$ 7,084,218.79
Present Contract Amount:	\$ 24,217,513.79
Approved Payments to Date:	\$ 22,571,669.64 (93.2%)

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

Change-Orders to Date:

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

- 10. Emergency lights, Enclosure, XP lights - \$56,371.22
- 11. Two Stand-by Diesel Generators - \$1,979,314.00
- 12. 5 PCO Consolidation - \$72,620.00

Summary of Allowances:

Description	Contract Basis	Approved to Date
A – Independent testing	\$25,000	\$ 22,021.51
B – Maintain Engineers trailer	\$25,000	\$ 7,705.42
C – Unforeseen Conditions	\$500,000	\$496,336.69
D – Optimization Services	\$30,000	\$ 9,900.00
E – Addt'l. equip/ I&C	\$75,000	\$ 75,000.00

Schedule Summary:

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

Substantial Completion Phase 1: Aug. 15, 2006 - Included ability to run the Engines on Natural gas  
 Substantial Completion Phase 2: Nov. 15, 2006 - Included the ability to run the engines with all gases  
 Substantial Completion Phase 3: Nov. 15, 2006 - Included start up of the dryer system  
 Final Completion: Dec. 15, 2006- All punchlist items must be completed.  
 Present Anticipated Comp. Date: October 16, 2009\*

\*Note: This includes the installation and start-up of the two new diesel generators.

JH Reid had committed to completing the balance of the contract work on or before the JCO date of April 20, 2009. It should be noted that while this date was not met, the temporary standby generators currently satisfy the requirements of the JCO. CCMS has formally gone on record with the Contractor confirming their contractual obligation to maintain these temporary generators on site until such time as the CoGen facility is fully functional and available for use by the RVSA.

The Full Contract Completion Date is being negotiated. A detailed letter stating anticipated liquidated damages has been sent to the Contractor which was responded to by his Attorney. Negotiations between all parties on establishing the limits of the work remaining as well as the damages that will be sought are ongoing.

CCMS Monthly Report – Contract #155 Treatment Plant UpgradeSummary of Present Status:

1. Contract Administration: The Contractor, EE Cruz, continues to submit RFI's and shop drawings. A total of 2117 shop drawings have been submitted to date. There have been 320 formal requests for information.
2. Contaminated Soils: There was no contaminated soil removal this past month.
3. Concrete: Concrete curb and sidewalks are complete.
4. Building Status:

Headworks

The Building has received a temporary Certificate of Occupancy, and is now in operation by RVSA. CCMS has issued all punchlists for this building and progress is ongoing with the Contractor. Minor paint and label work remains.

Service Building

The work within the Service Building is complete. Minor punchlist work remains and is ongoing with the Contractor.

Primary Settling Tanks

All four primary settling tanks are available for service.

Rotary Drum Thickener

Minor punchlist work is ongoing with the Contractor.

Final Settling Tanks

All six final settling tanks are available for service.

Return Sludge Pump Station

The RAS pump station is now in operation.

Effluent Filters

The Effluent Filters are in operation. Minor punchlist work remains.

Ultraviolet Disinfection

The system is in operation and the Authority is currently meeting permit. CCMS, RVSA, and

the Contractor have worked with the Manufacturer to establish a variable dosage setpoint dictated by plant flow so as to optimize the performance. A three day performance test was completed the first week of July.

#### Effluent Pump Station

Work at the station is essentially complete.

#### DSN-001/-002

Work on the structure is essentially complete.

#### DSN-003

The concrete work is complete and has been backfilled. The weir gate has been approved and is due on site in the middle of August.

#### Site Work

All site work is complete.

#### Schedule Summary

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

#### Special Milestones

The substantial completion date of the Contract (September 29, 2008) was not met. The actual JCO date for the closure of DSN-004 of April 20, 2009 was extended as part of the Stipulation of Settlement for the Emergency Discharge Outfall. The Contractor has yet to provide a detailed delay claim letter.

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

#### Headworks Fire Protection

This system is in operation and no longer involved in any claim.

Electrical Design issues

The RVSA Counsel received a formal Claim from S.M. Electric through E.E. Cruz on March 26, 2009 for a total value of \$6,312,712.00 inclusive of unpaid change orders, contract balance, and retainage. CCMS responded to the RVSA on May 1, 2009 and a formal response to the Contractor was issued by RVSA Counsel on May 4, 2009.

Financial Summary:

Base Contract (with allowances):	\$ 137,137,000.00
Amendments to Date:	\$ 298,633.92
Present Contract Amount:	\$ 137,435,633.92
Pending Change-Orders:	\$ 0.00
Approved Payments to Date:	\$ 136,861,765.00 (99.6%)

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

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, 2009 through July 13, 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. 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. The general contractor has been notified of the claim.

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 May 11, 2009 the Authority filed its Answer to the contractor's Crossclaim. The case has been referred to mediation by the Court. 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. A meeting was held with the Executive Director and the Authority's expert Hatch Mott MacDonald on July 13, 2009 in order to discuss the litigation and the timing for the performance of various tasks. This matter may be further 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.

### 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. The contractor has also been informed that the Authority has elected to mediate the claims. This matter may 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.

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. On behalf of the Authority we have consented to electronic service of the Third Party Complaint. The Authority's Answer to the Third Party Complaint is due on either September 25, 2009 or October 26, 2009, depending on when certain documentation is received from the Third Party Plaintiffs.

#### Miscellaneous Contracts

On July 8, 2009 this office attended the opening of proposals for insurance coverage and performed an evaluation with respect to same. We are also reviewing the draft Request for Bids for the sale of renewable energy certificates that are to be generated by the operation of the cogeneration/sludge drying facility.

#### Clark Township Assessment Issue

On June 29, 2009 this office along with Mike Brinker and Bob Materna, met with representatives of Clark Township in order to discuss the impact on the Township's assessment resulting from the closure of operations of a major industrial user, United Gypsum. This matter will be discussed in further detail in Executive Session.

#### Committee Reports

The Chairman then asked if there were reports from any of 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 and the 2<sup>nd</sup> Quarter 2009 Budget Tracking Report was distributed to the Commissioners. Action is on the agenda under Bills and Claims.

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

Mr. Murphy stated that an Insurance Review Committee Meeting was held earlier this evening at

which time the proposals for the 2009-2010 Year were discussed. Action is on the agenda under New Business.

Legal Committee (Frank Mazzarella, Chairman)

No report.

Personnel Committee (Robert Luban, Chairman)

Mr. Mazzarella stated that a Personnel Committee Meeting was held earlier this evening at which time personnel matters were discussed. Action is on the agenda under New Business.

Public Relations Committee (Paul Sefranka, Chairman)

No report.

Security Committee (Frank Mazzarella, Chairman)

No report.

Sludge Management Committee (Attilio Venturo, Chairman)

No report.

**Unfinished Business**

None.

**New Business**

The following Resolution #09-52 was offered by Mrs. Papen, on motion of Mrs. Papen, and seconded by Mr. Murphy. The resolution was approved by those present with the exception of Mr. Chin who abstained; Mrs. Abram and Mr. Luban were absent.

RESOLUTION #09-52

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 6, 2009:

<u>Amount</u>	<u>Rate</u>	<u>Bank</u>
\$2,537,910.22	1.23%	Town Bank, Westfield, NJ

The following Resolution #09-53 was offered by Mrs. Papen, on motion of Mrs. Papen, and seconded by Mr. Murphy. The resolution was approved by those present; Mrs. Abram and Mr. Luban were absent.

RESOLUTION #09-53

BE IT RESOLVED that the officers of the Rahway Valley Sewerage Authority be and are hereby authorized to invest the following for the Operating Fund, to mature on October 6, 2009:

<u>Amount</u>	<u>Rate</u>	<u>Bank</u>
\$2,000,000.00	0.92%	Investors Savings Bank, Manasquan, NJ

The following Resolution #09-54 was offered by Mrs. Papen, on motion of Mrs. Papen, and seconded by Mr. Murphy. The resolution was approved by those present; Mrs. Abram and Mr. Luban were absent.

RESOLUTION #09-54

BE IT RESOLVED that the officers of the Rahway Valley Sewerage Authority be and are hereby authorized to invest the following for the Operating Fund, to mature on October 13, 2009:

<u>Amount</u>	<u>Rate</u>	<u>Bank</u>
\$2,807,037.34	0.92%	Investors Savings Bank, Manasquan, NJ

The following Resolution #09-55 was offered by Mr. Murphy, on motion of Mr. Murphy, and seconded by Mr. Chin. The resolution was approved by those present; Mrs. Abram and Mr. Luban were absent.

RESOLUTION #09-55

WHEREAS, the Rahway Valley Sewerage Authority solicited and received a proposal for insurance coverage related to Workers Compensation, Contract #0921B; 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 2009 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 the placement of its Workers Compensation Insurance to New Jersey Manufacturers Insurance Company, 301 West Sullivan Way, West Trenton, NJ 08628, in an estimated amount of \$160,686.00, 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, 2009 to July 25, 2010; and

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

The following Resolution #09-56 was offered by Mr. Murphy, on motion of Mr. Murphy, and seconded by Mr. Chin. The resolution was approved by those present; Mrs. Abram and Mr. Luban were absent.

RESOLUTION #09-56

WHEREAS, the Rahway Valley Sewerage Authority solicited and received a proposal for insurance coverage related to its Property and Equipment, Contract #0921C; 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 2009 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that based on the proposal received from USI Northeast Inc. of Roseland, NJ, the Rahway Valley Sewerage Authority hereby awards the placement of its Property and Equipment Insurance in an estimated amount of \$161,136.00, 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, 2009 to July 25, 2010; and

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

The following Resolution #09-57 was offered by Mr. Murphy, on motion of Mr. Murphy, and seconded by Mr. Chin. The resolution was approved by those present; Mrs. Abram and Mr. Luban were absent.

RESOLUTION #09-57

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

#0921D; 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 2009 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that based on the proposal received from Amalgamated General Agencies (AGA), the Rahway Valley Sewerage Authority hereby awards the placement of its General Liability Insurance Coverages and Related Other Coverages outlined in the proposal submitted by AGA of Westfield, NJ to St. Paul Insurance Co., in an estimated amount of \$133,014.00 subject to the finalization of New Jersey surcharges and adjustments of Insurance Values; and

BE IT FURTHER RESOLVED that the insurance program being awarded as noted above is for the period from July 25, 2009 to July 25, 2010; and

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

The following Resolution #09-58 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; Mrs. Abram and Mr. Luban were absent.

RESOLUTION #09-58

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 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 \$39,565.63; 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 \$2,533,738.94 be and are hereby amended to provide for the increased contract amount of \$39,565.63 resulting in an amended contract amount not to exceed \$2,573,304.57; 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.

Mr. Mazzarella made a motion, seconded by Mr. LoForte, to approve the Labor Contract between the Authority’s Union employees with the United Steel Workers and the Rahway Valley Sewerage Authority including the following terms, the contract shall be for a three year period, retroactive to July 1, 2008, with a 3.5% increase across the board, employees shall contribute a percentage to their health benefit costs, and implementation of a random drug and alcohol testing plan. The motion was seconded by Mr. LoForte and approved by those present. Mrs. Abram and Mr. Luban were absent.

**Bills and Claims**

Mrs. Papan made a motion, seconded by Mr. Chin, that the following bills and claims previously audited by the Finance Committee be ordered paid. The motion was unanimously approved.

**BUILDING & EQUIPMENT FUND**

<b>CHECK</b>	<b>DATE</b>	<b>VENDOR</b>	<b>ACCT/LINE#</b>	<b>AMOUNT</b>
2421	07/16/09	A&A INDUSTRIAL PIPING, INC.	140.7	72,363.20
2422	07/16/09	CAMP, DRESSER & MCKEE, INC.	140.7	8,795.93
2423	07/16/09	CDW GOVERNMENT, INC.	140.7	120.96
2424	07/16/09	CONSOLIDATED CONST. MGT.	140.2/7	47,752.25

2425	07/16/09	EASTERN SHEET METAL & PLATE	140.7	14,993.14
2426	07/16/09	EE CRUZ COMPANY INC.	140.7	196,702.30
2427	07/16/09	J.H. REID, GENERAL CONTRACTOR	140.2	472,748.38
2428	07/16/09	LONGO ELECTRICAL-MECHANICAL	140.7	480.00
2429	07/16/09	METCALF & EDDY, INC.	140.7	15,491.02
2430	07/16/09	OMNI ENVIRONMENTAL LLC	140.7	2,212.15
2431	07/16/09	PAULUS, SOKOLOWSKI & SARTOR	140.2/7	41,872.85
2432	07/16/09	WEINER LESNIAK LLP	140.9	20,181.97

**Total Building & Equipment Fund Checks: 12**  
**Total Void Checks: 0**  
**Total Amount Void: \$0.00**  
**Total Amount Paid: \$893,714.15**

**OPERATING FUND - MANUAL CHECKS**

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
184	07/15/09	NJ STATE HEALTH BENEFITS	03/04	70,195.88

**Total Operating Fund Manual Checks: 1**  
**Total Void Checks: 0**  
**Total Amount Void: \$0.00**  
**Total Amount Paid: \$70,195.88**

**OPERATING FUND**

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
36413	06/19/09	NJBIA	31	129.00
36414	06/19/09	NJ MOTOR VEHICLE COMMISSION	35	25.00
36415	06/30/09	RAHWAY VALLEY SEWERAGE AUTH.	01/02	174,271.95
36416	06/30/09	TREASURER - STATE OF NJ	37	4,375.00
36417	07/06/09	CANON FINANCIAL SERVICES, INC.	16	1,299.72
36418	07/06/09	COGENT COMMUNICATIONS, INC.	27	674.00
36419	07/06/09	DELTA DENTAL PLAN OF NJ	03	6,068.19
36420	07/06/09	ELIZABETHTOWN GAS	22	6,759.35
36421	07/06/09	PITNEY BOWES, INC.	48	82.00
36422	07/06/09	STANDARD INSURANCE COMPANY	03	2,185.23
36423	07/06/09	VERIZON WIRELESS	11	690.83
36424	07/06/09	VISION SERVICE PLAN	03	1,276.73
36425	07/06/09	WOODRUFF ENERGY	22	29,206.56
36426	07/15/09	ROBERT POLTZ	27	549.95
36427	07/15/09	TREASURER - STATE OF NJ	37	750.00
36428	07/16/09	A TOUCH OF ITALY	49	139.10
36429	07/16/09	ADP, INC.	03	170.28
36430	07/16/09	ADP, INC.	16	2,197.02
36431	07/16/09	AIRGAS SOUTHWEST, INC.	32	112.80
36432	07/16/09	ALL AMERICAN SEWER SERVICE	32	3,147.00
36433	07/16/09	AMERICAN INDUSTRIAL SUPPLY	32	838.18
36434	07/16/09	AMERICAN WEAR	32	1,582.80
36435	07/16/09	APPLIED ANALYTICS, INC.	32	1,805.00
36436	07/16/09	ASSOCIATED AUTO PARTS	35	161.60
36437	07/16/09	ATLAS LADDER & SCAFFOLDING CO.	32	843.00

## OPERATING FUND

CHECK	DATE	VENDOR	ACCT/LINE#	AMOUNT
36438	07/16/09	B & B DISPOSAL	32	700.00
36439	07/16/09	BOWCO LABORATORIES, INC.	32	63.00
36440	07/16/09	CDW GOVERNMENT, INC.	27	149.18
36441	07/16/09	CENTRISYS CORPORATION	32	701.38
36442	07/16/09	CITRIX SYSTEMS, INC.	27	800.00
36443	07/16/09	COOPER ELECTRIC SUPPLY CO.	32	1,053.34
36444	07/16/09	DELL MARKETING L.P.	27	89.07
36445	07/16/09	JACK DESIMONE	31	99.97
36446	07/16/09	D.R. CORDELL & ASSOCIATES	32	747.25
36447	07/16/09	ELIZABETHTOWN GAS	22	5,158.74
36448	07/16/09	ENVIRONMENTAL COMPLIANCE	41	5,031.88
36449	07/16/09	ENVIRONMENTAL RESOURCE ASSOC.	40	389.00
36450	07/16/09	ELIZABETHTOWN GAS	22	8,201.07
36451	07/16/09	FISHER SCIENTIFIC	40	537.60
36452	07/16/09	FLEXLINE	32	40.93
36453	07/16/09	W.W. GRAINGER, INC.	32	1,515.58
36454	07/16/09	GARY W. GRAY TRUCKING, INC.	25	45,536.63
36455	07/16/09	GREAT LAKES ENVIRONMENTAL	41	470.97
36456	07/16/09	HACH COMPANY	41	975.10
36457	07/16/09	HATCH MOTT MACDONALD	06	438.25
36458	07/16/09	HESS CORPORATION	19	123,146.65
36459	07/16/09	HOME DEPOT CREDIT SERVICES	32	2,138.50
36460	07/16/09	J. FLETCHER CREAMER & SON	32	6,387.17
36461	07/16/09	JRM MEDICAL SERVICES, INC.	40	1,360.00
36462	07/16/09	LABCHEM INC.	40	1,104.03
36463	07/16/09	MAGELLAN BEHAVIORAL HEALTH	03	568.89
36464	07/16/09	McELROY, DEUTSCH, MULVANEY	08	2,902.40
36465	07/16/09	MCINTYRE'S LOCK&LAWNMOWER SHOP	32	383.94
36466	07/16/09	MCMASTER-CARR SUPPLY CO.	32	186.66
36467	07/16/09	MIDDLESEX WATER COMPANY	33	792.14
36468	07/16/09	MOTION INDUSTRIES, INC.	32	263.13
36469	07/16/09	MSC INDUSTRIAL SUPPLY CO.	32	251.21
36470	07/16/09	NATIONAL BUSINESS FURNITURE	13	1,590.00
36471	07/16/09	NJ MANUFACTURERS INSURANCE CO.	17	17,987.00
36472	07/16/09	NORTHERN SAFETY CO., INC.	31	723.91
36473	07/16/09	O'JOHNNIES, INC.	13	425.70
36474	07/16/09	ONE CALL SYSTEMS, INC.	32	40.70
36475	07/16/09	P-M INDUSTRIAL SUPPLY, INC.	32	588.00
36476	07/16/09	POLAND SPRING	46	102.88
36477	07/16/09	POLYDYNE INC.	23	32,400.00
36478	07/16/09	PSE&G COMPANY	19/42	420.63
36479	07/16/09	PSE&G COMPANY	19	56,263.81
36480	07/16/09	QC LABORATORIES	41	1,838.00
36481	07/16/09	RAHWAY ELECTRIC SUPPLY CO.	32	219.99
36482	07/16/09	RARITAN SUPPLY COMPANY	32	406.73
36483	07/16/09	RELIABLE ELECTRIC MOTOR REPAIR	32	1,453.80
36484	07/16/09	RAHWAY VALLEY SEWERAGE AUTH.	01/02	252,563.98
36485	07/16/09	RVSA PETTY CASH	14	22.54
36486	07/16/09	SAFETY-KLEEN CORP.	32	265.02
36487	07/16/09	SHALLCROSS BOLT & SPECIALTIES	32	671.61

**OPERATING FUND**

<b>CHECK</b>	<b>DATE</b>	<b>VENDOR</b>	<b>ACCT/LINE#</b>	<b>AMOUNT</b>
36488	07/16/09	SPECTRASERV INC.	26	4,044.82
36489	07/16/09	STAPLES CREDIT PLAN	27	157.38
36490	07/16/09	STAR LEDGER	12	222.00
36491	07/16/09	TD BANK, NA	09	19,882.50
36492	07/16/09	THE SPI GROUP, LLC	27	185.00
36493	07/16/09	UNIVERSAL CHEMICALS, INC.	29	900.30
36494	07/16/09	UNITED PARCEL SERVICE	48	87.99
36495	07/16/09	U.S. BANK NA	09	88,185.00
36496	07/16/09	U.S. BANK NA	09	2,715.00
36497	07/16/09	U.S. BANK NA	09	34,920.00
36498	07/16/09	US FILTER/SIEMENS WATER TECH.	40	726.00
36499	07/16/09	VERIZON CONFERENCING	11	103.39
36500	07/16/09	VERIZON	11/30	2,429.36
36501	07/16/09	WEINER LESNIAK LLP	07	31,972.20
36502	07/16/09	921-GTS-WELCO	32	343.65
36503	07/16/09	WIPE-TEX INTERNATIONAL	32	440.00
36504	07/16/09	WOODRUFF ENERGY	22	18,461.52
36505	07/16/09	YSI, INC.	40	70.00
36506	07/16/09	MAGDALENA ZIOBRON	31	79.99

**Total Operating Fund Checks: 94**

**Total Void Checks: 0**

**Total Amount Void: \$0.00**

**Total Amount Paid: \$1,025,654.35**

**Total Checks: 107**

**Total Void Checks: 0**

**Total Amount Void: \$0.00**

**Total Amount Paid: \$1,989,564.38**

<b>OPERATING FUND</b>	<b>9-01</b>	<b>\$1,025,654.35</b>
<b>OPERATING FUND - MANUAL CHECKS</b>	<b>9-01</b>	<b>70,195.88</b>
<b>BUILDING &amp; EQUIPMENT FUND</b>	<b>9-02</b>	<b>893,714.15</b>
<b>TOTAL ALL FUNDS:</b>		<b>\$1,989,564.38</b>

**Open the Floor to the Public**

No one was present to address the Board.

**Closed Session**

Mr. Chin made a motion to go into closed session at this time, 8:40 p.m., to discuss legal matters, based on Attorney Client privilege. The motion was seconded by Mrs. Papen and unanimously approved.

Mrs. Papen made a motion to return to the regular order of business at this time, 9:05 p.m. The motion was seconded by Mr. Murphy and unanimously approved.

**Regular Order of Business**

The Chairman asked if there was action based on what was discussed in Closed Session. There was none. However, Mr. Mazzarella asked if he could read a statement for the record. The Chairman gave him the floor.

Mr. Mazzarella stated “I am recusing myself from closed session when potential litigation regarding Clark Township is being discussed. I believe that the Commissioners may wish to discuss a strategy and in my opinion, the Commissioners would feel more comfortable if I weren’t in attendance during this portion of the meeting.”

Mr. Mazzarella then stated on behalf of Clark Township, he was asked as their representative to make the following statement.

“I believe that the crafters of the RVSA Agreement didn’t account for large flow users ceasing their operation. US Gypsum, in Clark, accounts for approximately 25% of Clark’s daily flow, and not having a provision for adjustments for communities that have large users ceasing operation, only increases the financial burden on the taxpayers in the community. Essentially, what will happen – if adjustments aren’t made, the taxpayers will essentially have to pay for phantom flow from the closing facility, until the 5 year rolling average is completed. This, in Clark Township’s opinion, will be devastating to the ratepayers and taxpayers and I believe that anyone here would feel the same if this happened in your community. Your governing body would react the same way as Clark Township has - to seek an adjustment. Clark Township does understand that if the facility does become functional again, an upward adjustment is certainly warranted. Maybe this is the right timing to seriously consider changing our flow calculation methodology to EDU’s or some other more equitable way of calculating flows. I can only tell you that Clark Township plans to take this to any extent to rectify this, not only for Clark Township, but for any member community that has the same unfortunate circumstance that Clark Township is experiencing.”

Mr. Mazzarella then recused himself from the meeting at 9:08 p.m.

**Closed Session**

Mr. Sefranka made a motion to go back into closed session at this time, 9:09 p.m., to discuss legal matters, based on Attorney Client privilege. The motion was seconded by Mr. Chin and unanimously approved.

Mrs. Papen made a motion to return to the regular order of business at this time, 9:25 p.m. The motion was seconded by Mr. Murphy and unanimously approved by those present.

**Regular Order of Business**

The Chairman asked if there was action based on what was discussed in Closed Session. There was none.

**Adjournment**

As there was no further business, on motion of Mrs. Papen, seconded by Mr. Murphy, the meeting adjourned at 9:26 p.m. The motion was unanimously approved.

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

JG/jg  
Attachments