

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

PASSAIC VALLEY WATER COMMISSION MEETING OF

MAY 15, 2019

**(OPEN SESSION)**

C O M M I S S I O N E R S            P R E S E N T :

- RIGO SANCHEZ, President
- JOSEPH KOLODZIEJ, Vice President
- RONALD VAN RENSALIER, Treasurer
- ROBERT L. VANNOY, Secretary **(Absent)**
- IDIDA RODRIGUEZ **(Absent)**
- JEFFREY LEVINE
- GERALD G. FRIEND

A L S O            P R E S E N T :

- JAMES G. DUPREY, Business Administrator
- JOSEPH A. BELLA, Executive Director
- GEORGE T. HANLEY, Counsel
- YAACOV BRISMAN, Assistant Counsel
- YITZ WEISS, Comptroller
- LOUIS AMODIO, Administrative Secretary

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. AMODIO: On the roll.

(Roll call was taken, all Commissioners present respond in the affirmative. Commissioners Vannoy and Rodriguez are absent. Commissioner Levine is not present yet)

MR. AMODIO: You have a quorum.

The time is 9:36.

All of the requirements of the Open Public Meetings Act have been met. Notices have been furnished to all Commissioners; City Clerks of Paterson, Passaic, and Clifton; North Jersey Herald News; The Record - Passaic County edition and the Commission's Executive Staff with a copy posted at the main bulletin board at the Clifton facility.

Commissioner Van Rensalier.

(Pledge of Allegiance)

MR. AMODIO: I believe we have members of the public. Do you wish to speak?

MS. GORHAM: Yes.

PRESIDENT SANCHEZ: Can you state your

1 name? I'm sorry, we know who you are, but just  
2 for the record, please.

3 MS. GORHAM: Yes. Good morning, everyone.  
4 I'm Irma Gorham. I'm the Executive Director of  
5 the Paterson Housing Authority and today I'm back  
6 again because I just feel that we have to settle  
7 the matter regarding the water trunk at the  
8 Riverside development complex.

9 We've had a series of meetings. The last  
10 meeting we were supposed to come with some  
11 understanding of what that cost would be and how  
12 it would be shared and we haven't gotten anything  
13 back from the Commission regarding that, a number  
14 and terms of what would be equitable and we need  
15 to just come to some realization of how we're  
16 going to move forward because we are at the point  
17 that the developer needs to finish his process and  
18 get going.

19 COMMISSIONER FRIEND: May I ask a  
20 question?

21 PRESIDENT SANCHEZ: Sure.

22 COMMISSIONER FRIEND: Okay. At the last  
23 meeting you attended with the attorney for the --

24 MS. GORHAM: Yes, Jeff is here. Yes.

25 COMMISSIONER FRIEND: You were requested

1 to supply the developer's agreement between the  
2 Paterson Housing Authority and the developer.

3  
4 (Whereupon, Commissioner Levine is present  
5 at 9:40 a.m.)

6  
7 MS. GORHAM: Yes, sir.

8 COMMISSIONER FRIEND: We haven't received  
9 that yet.

10 MS. GORHAM: We sent it over to I think  
11 the clerk.

12 COMMISSIONER FRIEND: What you sent was a  
13 letter of intent in terms of what was built,  
14 that's not the developer's agreement.

15 MS. GORHAM: We since sent the developer's  
16 agreement over.

17 COMMISSIONER FRIEND: Did anybody receive  
18 it from Administration?

19 MR. AMODIO: The only thing that I  
20 received was e-mailed to you last week.

21 MS. GORHAM: No, we sent the developer's  
22 agreement -- well, we have copies. You're our  
23 only contact and I will definitely check.

24 MR. ZENN: Commissioner, what's the  
25 relevance of the --

1 COMMISSIONER FRIEND: Pardon?

2 MR. ZENN: What's the relevance of the  
3 developer agreement anyhow?

4 COMMISSIONER FRIEND: As a courtesy and  
5 you agreed at the last meeting that you were going  
6 to --

7 MR. ZENN: I don't have the document.

8 COMMISSIONER FRIEND: Pardon me?

9 MR. ZENN: I don't have the document.

10 COMMISSIONER FRIEND: You don't have the  
11 document. Okay.

12 PRESIDENT SANCHEZ: Do me a favor, before  
13 you speak, state your name, for the record.

14 MR. ZENN: I'm sorry.

15 My name is Jeffrey Zenn, Z-e-n-n, from  
16 Cullen and Dykman.

17 PRESIDENT SANCHEZ: Let me say this to  
18 you. These type of things don't help because  
19 you're asking Passaic Valley Water Commission to  
20 put up almost a million dollars and a fellow  
21 Commissioner is asking you for a document and if  
22 you have it or you don't have it, that's what we  
23 need to know. He wants to see it before he makes  
24 his decision and I guess without that he doesn't  
25 feel comfortable making a decision.

1                   COMMISSIONER FRIEND: I've gone online to  
2                   try to find out what I can on the computer and  
3                   according to what I found online, the developer is  
4                   going to get a fee for doing this project, over  
5                   \$11 million. Is that accurate?

6                   MR. ZENN: I don't know.

7                   MS. GORHAM: Yes, close to. But it's also  
8                   a deferred developer's cost.

9                   I do have the document. Initially, when  
10                  you asked for it, we have so many documents  
11                  because it's an ongoing negotiation. We sent the  
12                  intent over and our attorney in D.C. who handles  
13                  all of our packaging sent it over and we have  
14                  local -- and I do apologize, our local counsel was  
15                  supposed to send it over to you last week, Elnardo  
16                  Webster. So he may not have sent it over to you  
17                  because since that time we've been playing phone  
18                  tag.

19                  So I did bring a copy to leave with the  
20                  Commission today. So the deferred developer's  
21                  cost is over time in the project. It's not  
22                  \$11 million at the signing or the completion of  
23                  the project.

24                  COMMISSIONER FRIEND: Also, I haven't seen  
25                  the agreement, so I don't know. Are you selling

1 the property --

2 MS. GORHAM: No.

3 COMMISSIONER FRIEND: -- to the developer?

4 MS. GORHAM: No, the property's leased to  
5 the developer. The housing authority remains  
6 owner of the property.

7 COMMISSIONER FRIEND: Because there was  
8 something, again, on the computer and we don't get  
9 the information directly from the source then  
10 trying to find it in another area, and it  
11 indicated that you were selling the property to  
12 the developer and then you would get it back after  
13 15 years.

14 MS. GORHAM: Well, we could retain  
15 ownership after 15 years, but the land is leased  
16 to the developer for 90 years.

17 COMMISSIONER FRIEND: How many years?

18 THE WITNESS: 90 years.

19 COMMISSIONER FRIEND: 90 years.

20 MS. GORHAM: It's a ground lease that's  
21 done on most mixed financed projects.

22 COMMISSIONER FRIEND: And I had also asked  
23 for a copy of the proposal that the developer had  
24 made to the State of New Jersey for the funding to  
25 see what costs were involved because, again, on

1 the computer, it may not be accurate, the  
2 developer's response when he went before the mayor  
3 and municipal council in the City of Paterson and  
4 they questioned the \$11 million was that it's  
5 coming out of the mortgage as part of his  
6 construction funds, so...

7 MS. GORHAM: Yes.

8 COMMISSIONER FRIEND: So the State of New  
9 Jersey is mortgaging, including in that mortgage  
10 is a developer's fee of \$11 million.

11 MS. GORHAM: Yes, that's part of the  
12 packaging. Yes.

13 MR. ZENN: If you're asking me, I don't  
14 know the answer to that question.

15 COMMISSIONER FRIEND: Well, like I said,  
16 if we had the developer's agreement that was  
17 requested a month ago... But I'm not prepared. I  
18 don't know about my fellow Commissioners, I'm not  
19 prepared to take any action until a review of the  
20 developer's agreement.

21 MS. GORHAM: Okay. So I will leave a copy  
22 with the clerk.

23 PRESIDENT SANCHEZ: The only thing is, I  
24 think fellow Commissioner Kolodziej was at that  
25 meeting on that committee meeting.

1 COMMISSIONER KOLODZIEJ: Yes, sir.

2 PRESIDENT SANCHEZ: Will you tell us just  
3 where you guys left it at that date?

4 I'm sorry if I...

5 COMMISSIONER KOLODZIEJ: No, we can  
6 certainly discuss that. And before we do, I just  
7 want to make sure I didn't misunderstand the  
8 director.

9 You said negotiations are still ongoing?

10 MS. GORHAM: Well, until we close with the  
11 HFMA, we do have negotiations. As an example,  
12 we've since had to do some additional  
13 environmental action at the site that the housing  
14 authority may have to add some funds to the  
15 project. So it's ongoing.

16 COMMISSIONER KOLODZIEJ: That's ongoing  
17 with the developer?

18 MS. GORHAM: It's ongoing with the  
19 developer for site, for environmental.

20 COMMISSIONER KOLODZIEJ: Well, that's good  
21 news then because that pipe could be part of your  
22 continuing ongoing negotiations in addition to the  
23 environmental.

24 We met with the developer who basically  
25 argued with us for five minutes about whether or

1 not we can have access to a public document and it  
2 was mentioned during the meeting that if we're  
3 here to kind of come to a compromise, arguing over  
4 something that we can easily get ourselves seemed  
5 silly. And the developer at that point said,  
6 fine, we'll get you the document.

7 That was three weeks ago, we still don't  
8 have that document.

9 By the end of the meeting, the developer  
10 came in and said we're not going to put a penny  
11 towards this pipe and they are taking the position  
12 that a 90-year old pipe in the ground that's been  
13 supplying water to Fair Lawn and Lodi and Garfield  
14 and Paterson somehow is non-existent or that there  
15 is no right for the Passaic Valley Water  
16 Commission to maintain that pipe and that's how we  
17 left that committee meeting.

18 COMMISSIONER FRIEND: Just so the  
19 Commission --

20 MR. ZENN: I don't think that was --

21 COMMISSIONER FRIEND: Just so the  
22 Commission knows, at the finance committee meeting  
23 yesterday, I did request, since we didn't have the  
24 developer's agreement and there was a deed  
25 referred to, that Administration get a copy of the

1 deed. And the deed very clearly states back in  
2 1943 that the transfer from the Federal Government  
3 was made subject to a 42-inch water main running  
4 through East 28th Street from Seventh Avenue to  
5 Eighth Avenue crossing Sixth Avenue and from Sixth  
6 Avenue to Fifth Avenue. So it's clearly in the  
7 deed and, in fact, the deed is referenced in their  
8 site plan. So, you know, it's been known since  
9 2015 at least that this pipe is there and that it  
10 belongs to Passaic Valley.

11 COMMISSIONER KOLODZIEJ: That is correct.  
12 My understanding is that the developer hired an  
13 engineering consultant who came out and contacted  
14 us over four years ago and took the position at  
15 the committee meeting that they just found out  
16 that the pipe was there.

17 PRESIDENT SANCHEZ: What I'm gathering  
18 here is that --

19 MR. ZENN: Can I just set the record  
20 straight from the developer's side because we were  
21 here at the Commission at least 18 months ago and  
22 we were aware of the line there. What triggered  
23 this was the existence of the maintenance over the  
24 line. So I don't think anybody's disputing it's  
25 your line. In fact, you have the obligation to

1 maintain that line, not the housing authority.  
2 It's the housing authority's property, but it's  
3 the Commission's obligation to maintain that line.

4 The question is whether you have a 90-year  
5 old line and, you know, I think the Commission,  
6 when we first spoke to the Commission,  
7 acknowledged that it's coming pretty close to the  
8 end of its useful life. And when you put in a new  
9 line, it's not going to be utilized by this  
10 development. It's not being tapped into. It's a  
11 trunk line servicing the entire community, all the  
12 communities of Passaic Valley Water Commission,  
13 that should be born by Passaic Valley Water  
14 Commission, not by the housing authority. It  
15 happens to be that this line sits on top, the  
16 maintenance issue sits on top of this line is a  
17 problem we need to resolve.

18 When we did meet, we did put some money on  
19 the table. We offered some money. I know,  
20 Commissioner, it wasn't acceptable to you. It  
21 wasn't close to what you were looking for. But it  
22 wasn't as if we said no money at all. And there  
23 was something put on the table and I think Irma  
24 was thinking that we were going to continue those  
25 discussions. But it's a problem, it's the housing

1 authority's property and they've got to deliver  
2 that property in a condition that we can build and  
3 the first thing is the demolition.

4 COMMISSIONER FRIEND: I was a little  
5 confused, you're the attorney not for the Paterson  
6 Housing, you're the attorney for the developer?

7 MR. ZENN: That's correct.

8 COMMISSIONER FRIEND: And when the  
9 agreement was negotiated, you said you don't have  
10 a copy of the developer's agreement?

11 MR. ZENN: No, I'm doing the land use.  
12 There are other attorneys involved dealing with  
13 the financing and dealing with HUD. There are a  
14 lot of conference calls with 25 people.

15 PRESIDENT SANCHEZ: Let me say this. What  
16 I think is Passaic Valley Water is not saying  
17 we're not willing to help, but we also have a  
18 responsibility to the ratepayers. And this is a  
19 costly project. We're talking about \$1.7 million.  
20 We kind of want to find a way where we both come  
21 to a meeting where we can agree and be happy with  
22 each other. That has to happen and I guess we  
23 send up a letter saying we're willing to help and  
24 whatever you guys offer we feel that is not  
25 enough. Right, Joe, I think that's the feeling we

1           have. We feel that we have a sharing  
2           responsibility but we want to share that  
3           responsibility, but you also need to come to the  
4           table. I mean, we could make milk but you need to  
5           produce the bread. But please, you know.

6                   COMMISSIONER FRIEND: Just a couple of  
7           issues aside from the developer's agreement that  
8           this Commission has to take into consideration, as  
9           far as I'm concerned. Do we do the work? Is the  
10          developer doing the work? Are we allowed to  
11          contribute without it having gone out to public  
12          bidding, you know, that's number one, whether or  
13          not we will be violating any state statute in  
14          terms of whether or not the work would have to be  
15          publicly bid. And also, you know, whatever we do,  
16          it's going to be precedent setting because I'm  
17          sure it's not the first time this has come up and  
18          I'm sure it's not the last time it's going to come  
19          up.

20                   MR. HANLEY: Commissioner, we discussed  
21          that in great detail and my understanding is that  
22          everybody understands that we are going to do the  
23          work with the pipe because we have the expertise  
24          and knowledge to do that and we also have the  
25          responsibility to our ratepayers.

1 Is that accurate, Joe?

2 MR. BELLA: That's correct.

3 COMMISSIONER FRIEND: If we're going to do  
4 the work, does it have to be publicly bid?

5 MR. HANLEY: That's right, and that was  
6 discussed. That's understood by all and that's  
7 why even the numbers we're discussing are as  
8 accurate as they can be today, but we all --

9 COMMISSIONER FRIEND: All right. Just so  
10 the Paterson Housing Authority and the developer  
11 are aware of that.

12 MR. HANLEY: They're fully aware.

13 MS. GORHAM: Yes, we discussed this.

14 MR. ZENN: Right, and we agree.

15 MR. BELLA: One thing I'd like to just say  
16 is that this pipe is not at the end of its life.

17 COMMISSIONER FRIEND: We had that before.

18 MR. BELLA: Yeah, there's probably at  
19 least 150, 200 years. I mean, it's got another  
20 hundred years. We haven't had any problems there.  
21 One of the problems we find there is that the  
22 proximity of all the structures can impact the  
23 safety of that pipe, the ability of it. We have  
24 found this previously. So that's important  
25 considerations for us and the safety of what comes

1           thereafter because it will be a narrow  
2           right-of-way. I think it's ten feet on either  
3           side as opposed to maybe 30 feet. So there's  
4           things, we're worrying about the future here. I  
5           mean, that future might be 50 years or it might be  
6           five years, we don't know. But they're the kind  
7           of structural engineering situations we have to  
8           think about.

9                        COMMISSIONER KOLODZIEJ: If I may just add  
10           to this. And, Mr. Zenn, given the description  
11           you've said about the complexity of this project  
12           and how you don't have access to certain  
13           information and documents, the day that we met at  
14           that committee meeting the developer had asked for  
15           some private time and he came down into this room.  
16           After you had met privately, the developer came  
17           through that door and said in no uncertain terms  
18           that they're not going to pay anything for this  
19           pipe. So they may not be letting you in the loop  
20           as to what's going on.

21                        The fact that you now changed your  
22           position from the committee meeting and  
23           acknowledged the fact we have a pipe and an  
24           easement through this development I think is  
25           helpful and I also think that, Executive Director,

1           it's helpful to know that you still have ongoing  
2           negotiations with the developer. So I think that  
3           you guys are in control of being able to settle  
4           this issue.

5                     MS. GORHAM: I think it's a joint  
6           collaboration.

7                     I have to go back to the chairman on  
8           point. In this project there are limited funds.  
9           If we had the funds, we would put it on the table.  
10          The site is clear. We're ready to start the  
11          demolition, but not knowing the exposure in terms  
12          of dollars for this trunk, we really can't say go  
13          ahead. Our developer's in constant contact with  
14          the State on getting a definitive answer because  
15          it could be outside of the realm for the budget  
16          and that's our real concern.

17                    COMMISSIONER KOLODZIEJ: I think we can  
18          address your concern because at the committee  
19          meeting we had discussed the fact that it's going  
20          to cost \$1.6 million to do that pipe. So I would  
21          feel comfortable making the offer to you, that you  
22          guys cover the \$1.6 million, anything above that  
23          we'll pick up.

24                    MS. GORHAM: Well, I think it should be  
25          reversed just because it's an obligation by the

1 Valley Water Commission to provide the service to  
2 the community, it just so happened to be on our  
3 property and for us to take that on, that would be  
4 totally, totally against the whole mission for  
5 this project.

6 COMMISSIONER KOLODZIEJ: I can make that  
7 argument about environmental issues also.

8 MS. GORHAM: Well, the environmental  
9 issues we have, because at the 18-month period  
10 when they came in to speak with you guys without  
11 the housing authority, we had a firm go out to  
12 environmental issues on the site. We budgeted for  
13 it. We went back to HUD and switched some funding  
14 that we already had for that. At that time, if we  
15 knew that we were going to have to replace a trunk  
16 on our property that another agency, a public  
17 agency is responsible for, I think the discussions  
18 and the negotiations would have been differently.

19 We're looking at some other alternative  
20 for this site, because right now it is the money  
21 factor.

22 COMMISSIONER FRIEND: Well, when you went  
23 back to HUD, you went back to HUD for money for  
24 the environmental issues?

25 MS. GORHAM: Yes.

1 COMMISSIONER FRIEND: But you've known  
2 about this issue since 2015.

3 MS. GORHAM: The money that we went back  
4 to HUD for were monies that were already ours. We  
5 just switched it so that we could assist this  
6 project.

7 COMMISSIONER FRIEND: Has the developer  
8 gone back to the New Jersey Housing Authority  
9 Mortgage Authority and attempted to increase the  
10 budget?

11 MR. ZENN: The developer, he cannot get  
12 money for this because he does not own this.

13 COMMISSIONER FRIEND: Cannot get money.

14 MR. ZENN: The Commission will own this.

15 COMMISSIONER FRIEND: Construction costs  
16 from the housing authority, isn't there?

17 MS. GORHAM: No.

18 COMMISSIONER FRIEND: Isn't this part of  
19 construction?

20 MR. ZENN: No.

21 MS. GORHAM: No, we're not funding the  
22 construction on this project.

23 COMMISSIONER FRIEND: No, not you, the New  
24 Jersey Housing Mortgage Authority.

25 MR. ZENN: Right, but the developer will

1 not own this line.

2 MS. GORHAM: The line, not the project,  
3 the line.

4 COMMISSIONER FRIEND: He doesn't own the  
5 line.

6 MR. ZENN: It's a trunk line.

7 COMMISSIONER FRIEND: Well, whether he  
8 owns it or not, it's part of the project. It's  
9 either going to stay there and if it's damaged  
10 during construction, the developer's going to have  
11 to pay the cost of any damage that occurs to that  
12 line or it's going to be moved which, you know,  
13 which we're not, you know, as Mr. Bella said, that  
14 line's good for another 50 to a hundred years. We  
15 may have other projects that may be more pressing  
16 in terms of lines that have to be replaced. So  
17 you're asking us to do something, to jump this  
18 ahead of other projects that may be required when,  
19 like I say, and you're here today, May 15th of  
20 2019 when you've known about it since 2015, at the  
21 minimum, probably before that because that's when  
22 the plans are dated. So...

23 MR. ZENN: Yeah, but also not an accurate  
24 representation of what happened because we've been  
25 meeting with the Commission since at least January

1 of '18. We originally talked about line stops and  
2 turning off valves on either end and doing a  
3 demolition and seeing if anything needs to be  
4 repaired. And then subsequently, I think there's  
5 only November or December of '18 that we heard  
6 that the Commission said a 36-inch line will be  
7 better.

8 PRESIDENT SANCHEZ: Let me say this.  
9 We're having a constructive conversation here. My  
10 advice is you guys want to set up another meeting  
11 and come back here and meet with Administration,  
12 find a proposal and let's see where we are because  
13 we're not going to solve this. I'm going beyond  
14 my public meeting portion.

15 MS. GORHAM: Yes.

16 PRESIDENT SANCHEZ: Out of courtesy, but  
17 we're not going anywhere.

18 Joe, why don't you set something up, find  
19 the people you need to be there.

20 And, George, please, be at that meeting  
21 and --

22 MR. HANLEY: I've been at all the  
23 meetings.

24 PRESIDENT SANCHEZ: Okay.

25 MR. HANLEY: And I'm telling you,

1 everything that's been discussed here is not new.  
2 The bottom line is the developer doesn't want to  
3 help pay for the line that he's causing us to  
4 move, which is very expensive. And to do the  
5 demolition while that line remains is, according  
6 to our engineers, very risky.

7 PRESIDENT SANCHEZ: Okay. So do me a  
8 favor --

9 COMMISSIONER FRIEND: Who would be  
10 responsible if that line is damaged during the  
11 construction?

12 MR. HANLEY: I mean, you need to ask the  
13 engineers, but that's --

14 COMMISSIONER FRIEND: But, in other  
15 words --

16 MR. HANLEY: What do you say, Jim?

17 COMMISSIONER FRIEND: Do we require the  
18 developer to put up a bond to ensure that if that  
19 line is damaged during the construction that we,  
20 you know, have the funds to repair it or move it?

21 MR. HANLEY: I guess --

22 MR. SOKOL: The Commission is ready to  
23 leave the line --

24 COMMISSIONER FRIEND: I'm sorry, who are  
25 you, sir?

1 MR. SOKOL: My name is Leon Sokol. I'm  
2 also one of the attorneys.

3 COMMISSIONER FRIEND: You're who? Your  
4 name again?

5 MR. SOKOL: Leon Sokol. I'm one of the  
6 attorneys representing the developer. I'm Jeff's  
7 partner.

8 If the Commission's position is that  
9 they're okay with the line staying in place and  
10 the developer is ready to pay for and was told  
11 that the valves on either side of the property,  
12 I'm not sure they work, and once you test those  
13 valves if you find they don't work and you have to  
14 replace them with new valves, the developer is  
15 prepared to pay for the valves and he's also  
16 prepared to pay for damage once the water's shut  
17 off to the line when the demolition occurs. And  
18 once that's completed and the line remains in  
19 place, we can live with it.

20 Up until now we've been told that the  
21 Commission wants to replace the line and move it  
22 to another location on the site.

23 We can live with the line remaining there  
24 after we demolish the building. The big problem  
25 is demolition, because we can't start construction

1 without the demolition.

2 And as to what was asked about the HFMA,  
3 HFMA is providing funding in two ways: One is an  
4 allocation of tax credits that gets sold to an  
5 investor and the other is tax exempt bonding.  
6 There's no state money coming into this. It's all  
7 coming from private money done through that  
8 mechanism to create affordable housing.

9 The other problem is legally, because none  
10 of the water that goes through this pipe services  
11 this property owned by the housing authority,  
12 under the New Jersey law, the property owner,  
13 mainly, the housing authority, has no legal  
14 obligation to pay for the relocation of the line  
15 because it's --

16 COMMISSIONER FRIEND: But if it's damaged  
17 during construction --

18 MR. SOKOL: Yes, we all agreed to pay for  
19 the new valve. We already agreed to pay for the  
20 damage. So the only issue remains was are we  
21 willing to pay for the relocation of the line  
22 which is something the Commission asked for  
23 recently, not something that we're asking for.  
24 And we're telling you that we don't have enough  
25 money to pay \$1.6 million. We're willing to put

1           some money on the table towards that. But we have  
2           to get this done because the approvals that we  
3           have for the financing are limited and if we don't  
4           go into the market to syndicate tax credits and  
5           get that money and the bond issue, the project is  
6           in jeopardy. And the housing authority's already  
7           relocated 200 families.

8                   MS. GORHAM: Actually, 132. We had 200  
9           units at the site.

10                   COMMISSIONER LEVINE: Let me ask you a  
11           question. The new building being constructed, how  
12           far away from this line is the new billing going  
13           to be constructed after --

14                   MR. SOKOL: There will be nothing on top  
15           of the easement.

16                   MR. ZENN: Commissioner, I can say that  
17           our engineers have met with staff and I think your  
18           staff is satisfied with what we proposed.

19                   COMMISSIONER LEVINE: So, Jim, let me ask  
20           you a question. What's wrong -- no, no, let me  
21           finish, Jim. What's wrong with the pipe if we  
22           take the valves and we close off the pipes, what  
23           objection does the Commission have doing that and  
24           if they're going to pay for any damages to the  
25           pipes and pay for valves?

1 MR. DUPREY: Well, two issues: One is  
2 that in the regrading of the site the pipe would  
3 be severely buried and even if it didn't cause the  
4 pipe to fail at that moment, future main breaks  
5 would be very hard to access, very deep  
6 construction.

7 And the other aspect is, even with the  
8 valves on each side, let's say it does break  
9 during this demolition, you'll have vast areas  
10 that are going to start losing water and out with  
11 water and we don't want to disrupt our customers.

12 So those are the two aspects that we have  
13 to keep in mind.

14 COMMISSIONER LEVINE: What if they change  
15 the grading?

16 MR. DUPREY: Well, we're just evaluating  
17 this based on what they sent us.

18 COMMISSIONER LEVINE: Can't they redo the  
19 grading so it will be acceptable to us?

20 MR. BELLA: They did mention that at one  
21 point and then...

22 COMMISSIONER LEVINE: If we redid the  
23 grading so it's acceptable to us and check the  
24 valves.

25 MR. DUPREY: We'll be happy to review it

1 if they come up with something.

2 COMMISSIONER LEVINE: Or work with our  
3 planners to have a grading that's acceptable to  
4 both. The grading is just the elevation of the  
5 project.

6 MR. BELLA: The other thing they have to,  
7 because we are concerned about the safety going  
8 forward because you have this huge line and it's  
9 running within ten feet of the housing, so if  
10 there's a failure within that footprint, it's  
11 possible, I'm not saying it is, depends on a lot  
12 of factors, but it's possible that you could  
13 actually lose some of those buildings. And we've  
14 all seen pictures on TV of houses falling or cars  
15 falling into sinkholes and stuff, so that's the  
16 kind of thing.

17 COMMISSIONER LEVINE: How far is the  
18 building away from it now?

19 MR. BELLA: Right against it.

20 COMMISSIONER LEVINE: No, no, right now  
21 how far?

22 MR. BELLA: Right now one is over the top  
23 of it and the other one the wall is right there.

24 COMMISSIONER LEVINE: Don't they run the  
25 same problem right now if it fails, that building

1 collapses?

2 MR. BELLA: Yes.

3 COMMISSIONER KOLODZIEJ: Yes.

4 COMMISSIONER LEVINE: So why would it  
5 make --

6 MR. BELLA: The difference is they made a  
7 mistake 70 years ago. We're not making --

8 COMMISSIONER LEVINE: It's not going to be  
9 on top is what I'm saying now.

10 COMMISSIONER FRIEND: They built over it  
11 knowing it's there.

12 COMMISSIONER LEVINE: Right now it's not  
13 going to be built over, is it?

14 MR. BELLA: No, but within ten feet.

15 PRESIDENT SANCHEZ: Guys, do me a favor,  
16 this is taking you too long. My advice to you is  
17 have your engineers come and sit down with our  
18 staff, find out a solution, find out how much it's  
19 going to cost and how we're going to pay for it  
20 and how much you're going to pay for it. I'm not  
21 here for educating myself. Just have a meeting  
22 with the engineers and work it out.

23 Thank you.

24 MS. GORHAM: Okay. Thank you,  
25 Commissioners.

1 PRESIDENT SANCHEZ: Moving on.

2 MR. AMODIO: Move onto committee reports.  
3 Finance.

4 COMMISSIONER VAN RENSALIER: Yes, we met  
5 yesterday. It was reported that our investments  
6 are doing well despite the current volatility in  
7 the market. There was nothing unusual about the  
8 disbursements.

9 Good news is that overtime is down in most  
10 departments.

11 We talked about potentially maybe forming  
12 an ad hoc committee to look at how we can reduce  
13 police costs for coverage on our jobs. The cost  
14 currently is anywhere for a particular job 10 to  
15 20 percent of the cost of that job. We spend  
16 about a million dollars per year just on police  
17 costs. We're doing something in Passaic to try to  
18 reduce that when we do road reconstruction, so I  
19 asked the Executive Director to reach out to the  
20 Business Administrator in Passaic to see the  
21 direction that we're going in to try to reduce  
22 that cost.

23 The audits are wrapping up.

24 Billing software upgrade is being  
25 finalized.

1                   And we also talked about with pursuing the  
2                   uncollectibles, maybe sending out an RFP or RFQ  
3                   for an agency to help us collect our  
4                   uncollectibles.

5                   COMMISSIONER LEVINE:   What's the number on  
6                   that, do we know?

7                   COMMISSIONER VAN RENSALIER:   Do you know?

8                   MR. WEISS:   No, it's big.

9                   COMMISSIONER VAN RENSALIER:   I thought it  
10                  was like 5 million the last time I looked.

11                  PRESIDENT SANCHEZ:   So do we need to set  
12                  up something or do you need to come up with a plan  
13                  as Controller?

14                  MR. WEISS:   It's already in the process.

15                  PRESIDENT SANCHEZ:   You already have  
16                  something.   How we're going to go about that?  
17                  When are you going to have it by?

18                  MR. WEISS:   As far as collections go, we  
19                  had brought somebody in to discuss an outside  
20                  collection company, we're planning on pulling out  
21                  an RFP with professional services --

22                  PRESIDENT SANCHEZ:   By when?

23                  MR. WEISS:   We should have it next month.

24                  PRESIDENT SANCHEZ:   Okay.   Thank you.

25                  MR. WEISS:   I'm sorry, Commissioner

1 Sanchez, the business process review that  
2 Commissioner Van Rensalier was talking about,  
3 we're planning on having that out and we're going  
4 to continue that process and update it.

5 PRESIDENT SANCHEZ: Thank you.

6 I want to thank this finance committee.  
7 You guys are on top of your game and thank you for  
8 that.

9 MR. AMODIO: Moving on to personnel.

10 PRESIDENT SANCHEZ: We didn't have our  
11 formal personnel. I spoke to Joe. We're going to  
12 table 1. We're going to table 2, we need more  
13 information --

14 MR. AMODIO: Woe, woe, wait. I'm sorry.

15 PRESIDENT SANCHEZ: On number 1 we're  
16 going to table. Table 2a.

17 MR. AMODIO: 2a?

18 PRESIDENT SANCHEZ: Yeah, we're just going  
19 to do the promotion on top. 3, we're going to do  
20 the increments and then we're going to do two new  
21 hires.

22 MR. AMODIO: So which ones are we going to  
23 hold?

24 PRESIDENT SANCHEZ: You're going to hold  
25 2.

1 MR. AMODIO: 2a.

2 PRESIDENT SANCHEZ: B, c, d, e --

3 COMMISSIONER KOLODZIEJ: All of 2.

4 MR. AMODIO: All of 2. Okay. Change and  
5 top of range we're going with.

6 PRESIDENT SANCHEZ: No, that's the one  
7 we're going to hold, no?

8 MR. AMODIO: That's number 3.

9 PRESIDENT SANCHEZ: Number 3 we're going  
10 to hold that too.

11 MR. BRISMAN: No, no, 3 is increment.  
12 That's going to move forward. 4 is top of range  
13 we're going to hold that.

14 MR. AMODIO: No, no, no, please. We're  
15 going to do number 1.

16 PRESIDENT SANCHEZ: This, okay. Okay.  
17 Hold. Hold.

18 MR. AMODIO: What we're going to be doing  
19 is... Okay. I got it. We'll do it in closed  
20 session.

21 Okay. So moving onto special projects.

22 COMMISSIONER KOLODZIEJ: Special projects  
23 met on May 3rd. One of the items we discussed, we  
24 heard quite a bit about this morning, met with the  
25 visit from the Paterson Housing Authority. I

1 think what's relevant to recognize is that we are  
2 fairly certain that there's going to be damage to  
3 this pipe because we've already experienced damage  
4 to a similar pipe on Valley Road because of the  
5 construction on Route 3 and Route 46 and that's  
6 construction that's occurring a thousand feet,  
7 1,500 feet away from where the pipe is. This pipe  
8 happens to be five feet away and in one instance  
9 it's directly over. So it's our opinion at the  
10 committee level, at least, that it's a little bit  
11 of Pollyanna thinking to say that this pipe is not  
12 going to get damaged when demolition begins.

13 We had discussed the need for professional  
14 services for a W-4 licensed operator and also for  
15 the architectural rehabilitation of two of our  
16 pump stations and the superintendent's building.  
17 Both of these discussions resulted in resolutions  
18 on today's agenda.

19 We also discussed briefly the Third  
20 Amended ACO for the Water Storage Improvement and  
21 got an update on the drafting of overtime policy.  
22 Both of those items are on our agenda this morning  
23 for closed session discussion.

24 And then lastly, we sat down with the  
25 vendor who gave us a presentation. They're a high

1 tech firm that specializes in employee safety and  
2 inventory control and it is absolutely amazing on  
3 what 21st century technology can do in terms of  
4 ensuring the safety of our employees, but it comes  
5 with a rather steep price tag. So the committee  
6 had recommended to Administration that they sit  
7 down with the various department heads to discuss  
8 the need so that we can, from an educated  
9 perspective, take a look at the cost benefit. The  
10 way it was presented to us just based on workers'  
11 compensation claims alone, the system would  
12 probably pay for itself in about five years. But,  
13 again, it is a hefty price tag and the committee  
14 felt like it was important to make sure that the  
15 various departments were going to actually utilize  
16 the system before we invested in it. So we will  
17 presumably get a report back from Administration  
18 after they meet with the department heads.

19 Our next meeting, we're a standing  
20 committee now, so our next meeting is scheduled  
21 for June 7.

22 MR. AMODIO: Any questions?

23 Move onto Executive Director's report.

24 MR. BELLA: Okay. We're currently moving  
25 along with all the water. We haven't had any

1 problems with flooding, that sort of thing.

2 A couple of big projects are starting to  
3 take shape. Today we're talking about improving  
4 the pump station rehabilitation, which is a  
5 really, really good project because the pump  
6 station, the roof is, you know, a hundred years  
7 old and needs to be replaced, windows, take care  
8 of all of that.

9 The office has a new computer system to  
10 run the plant.

11 The plant's running very well despite all  
12 this water. We've had all kinds of problems with,  
13 you know, with water volume changes. One day it's  
14 perfect, the next day you have all kinds of  
15 problems. Three, four inches of rain, four inches  
16 of rain since the beginning of the year.

17 We're moving forward on getting up some of  
18 the personnel issues in accordance with the, you  
19 know, with what we had discussed previously.  
20 We're working on getting another engineer, another  
21 GIS person and so things are moving along pretty  
22 well.

23 MR. AMODIO: Any questions?

24 Okay. Thank you.

25 Move onto Controller's Report.

1 MR. WEISS: Cash on hand is \$32.3 million.

2 Our accounts receivable is at \$19.8

3 million.

4 Our accounts payable is at \$2.6 million.

5 Commissioner Van Rensalier did a terrific

6 job of summing up everything else that I had to

7 say, which is great. So the finance committee is

8 on top of their game, which is awesome.

9 I got nothing else.

10 MR. AMODIO: Any questions for the

11 Comptroller?

12 Hearing none, do I have a motion for

13 closed?

14 COMMISSIONER VAN RENSALIER: Move it.

15 COMMISSIONER KOLODZIEJ: Second.

16 MR. AMODIO: Move by Commissioner Van

17 Rensalier.

18 Second by Commissioner Kolodziej.

19 Commissioner Van Rensalier offers the

20 following Resolution for adoption:

21 WHEREAS, Section 8 of the Open Public  
22 Meetings Act permits the exclusion of the public  
23 from a meeting in certain circumstance; and

24 WHEREAS, the public body is of the opinion  
25 that such circumstances presently exist;

1                   NOW, THEREFORE, BE IT RESOLVED, by the  
2                   Commissioners of the Passaic Valley Water  
3                   Commission:

4                   1. The public shall be excluded from  
5                   discussion of the hereinafter specified subject  
6                   matters; the general nature of the subject matter  
7                   being: Financial, Insurance, Personnel, Contracts  
8                   Negotiations, Security, Law and other matters as  
9                   may be discussed in camera.

10                  2. It is anticipated at this time that  
11                  the above-stated subject matters will be ratified  
12                  during public meeting following or as soon  
13                  thereafter as the reason for discussion no longer  
14                  exists.

15                  3. This Resolution shall take  
16                  effect immediately.

17                  Second by Commissioner Kolodziej.

18                  MR. HANLEY: Excuse me, I didn't hear your  
19                  subject.

20                  MR. BELLA: The North Jersey District  
21                  Water Supply.

22                  MR. AMODIO: Add to the closed session?  
23                  North Jersey District Water Supply.

24                  Anything else?

25                  On the roll.

1 (Roll call was taken, all Commissioners  
2 present respond in the affirmative. Commissioners  
3 Vannoy and Rodriguez are absent)  
4

5 MR. AMODIO: Time is 10:19.

6 Please close the doors.  
7

8 \*\*\*  
9

10 PRESIDENT SANCHEZ: Let's go. What do we  
11 have.

12 MR. AMODIO: On the roll.  
13

14 (Roll call was taken, all Commissioners  
15 present respond in the affirmative. Commissioners  
16 Vannoy and Rodriguez are absent)  
17

18 MR. AMODIO: You have a quorum.

19 The time is 10:42.

20 We can move on to the minutes of Passaic  
21 Valley Water Commission in camera and regular  
22 public meeting held on April 17th, 2019.

23 Do I have a motion?

24 COMMISSIONER KOLODZIEJ: So move.

25 COMMISSIONER VAN RENSALIER: Second.

1 MR. AMODIO: Motion by Commissioner  
2 Kolodziej.

3 Second by Commissioner Van Rensalier.

4 On the roll.

5

6 (Roll call was taken, all Commissioners  
7 present respond in the affirmative. Commissioners  
8 van and Rodriguez are absent)

9

10 MR. AMODIO: Commissioner Sanchez, does  
11 the Chair accept, receive, and file miscellaneous  
12 purchase orders for the period of April 10, 2019,  
13 to May 7, 2019.

14 Commissioner Sanchez, do you move?

15 PRESIDENT SANCHEZ: Yes.

16 MR. AMODIO: Move onto Resolutions.

17 We have two resolutions. The first  
18 Resolution is Contract 19-B-22 "Architectural  
19 Rehabilitation of PVWC's Main Pump Station,  
20 Superintendent's Building, and Jackson Avenue Pump  
21 Station, Totowa and Wayne, New Jersey".

22 Recommendation to award to Phelps  
23 Construction Group, LLC of Boonton, New Jersey in  
24 the amount not-to-exceed \$6,664,401.00.

25 Next contract is Contract Amendment to

1 Changes in Scope of Professional Services for  
2 Project 18-P-48 "Professional Services for W-4  
3 Licensed Operator" that is with current  
4 contractor, Superior Services of West Caldwell,  
5 New Jersey, the amount is not-to-exceed  
6 \$83,000.00.

7 Do I have a motion?

8 COMMISSIONER KOLODZIEJ: Move the group.

9 MR. AMODIO: Motion by Commissioner  
10 Kolodziej.

11 PRESIDENT SANCHEZ: Second by Commissioner  
12 Levine.

13 MR. AMODIO: Second by Commissioner  
14 Levine.

15 On the roll.

16  
17 (Roll call was taken, all Commissioners  
18 present respond in the affirmative. Commissioners  
19 Vannoy and Rodriguez are absent)

20  
21 MR. AMODIO: Motion approved.

22 Next we have New Business.

23 Summary of disbursements and payrolls  
24 through May 15th, 2019, in the amount of  
25 \$6,824,583.84.

1 Do I have a motion?

2 COMMISSIONER VAN RENSALIER: Move it.

3 MR. AMODIO: Thank you, Commissioner Van  
4 Rensalier.

5 Do I have a second?

6 COMMISSIONER KOLODZIEJ: Second.

7 MR. AMODIO: By Commissioner Kolodziej.  
8 On the roll.

9  
10 (Roll call was taken, all Commissioners  
11 present respond in the affirmative. Commissioners  
12 van and Rodriguez are absent)

13  
14 PRESIDENT SANCHEZ: I have to abstain on  
15 Gaeta, PNA, and Montana.

16 MR. AMODIO: Gaeta, PNA, and Montana.  
17 Thank you.

18 Recommendations from Executive Session.

19 The summer annual program for summer help.  
20 That starts on May 20th, 2019, and it ends on  
21 September 1, 2019.

22 Do I have a motion?

23 COMMISSIONER LEVINE: Yes.

24 MR. AMODIO: Do I have a second?

25 COMMISSIONER VAN RENSALIER: Second.

1 MR. AMODIO: By Commissioner Van  
2 Rensalier.

3 On the roll.

4  
5 (Roll call was taken, all Commissioners  
6 present respond in the affirmative. Commissioners  
7 van and Rodriguez are absent)

8  
9 MR. AMODIO: Thank you.

10 We have Resolution of Passaic Valley Water  
11 Commission --

12 COMMISSIONER LEVINE: This is actually,  
13 it's supposed to be 17 to 25, I mean, I don't care  
14 because a lot of the seniors that are graduating,  
15 a lot of them are 17 years old. That has to be  
16 changed because some of the Commissioners, if they  
17 have any, because there are graduating seniors at  
18 17, they're younger.

19 MR. AMODIO: Everyone is okay with the 17?

20 COMMISSIONER LEVINE: As long as they're a  
21 senior graduating.

22 MR. AMODIO: Resolution of Passaic Valley  
23 Water Commission approving the Third Amended ACO  
24 for the Water Storage Improvement Project - Phase  
25 1 and 2.

1 Do I have a motion?

2 COMMISSIONER KOLODZIEJ: So moved.

3 MR. AMODIO: By Commissioner Kolodziej.

4 Do I have a second?

5 COMMISSIONER FRIEND: Second.

6 MR. AMODIO: By Commissioner Friend.

7 On the roll.

8

9 (Roll call was taken, all Commissioners  
10 present respond in the affirmative. Commissioners  
11 van and Rodriguez are absent)

12

13 MR. AMODIO: Okay. Now, the Personnel.

14 Recommendation is to promote Stephanie  
15 Vogel to Lab Water Analysis with a salary of  
16 \$66,358.22, which is the top of her rate. And  
17 proposed range of \$38,000.00 to \$66,358.22.

18 Next is increment, Yaxira Lopez. Proposed  
19 salary of \$79,649.38.

20 Two new hires: Adam Fahmi as a mechanic.

21 PRESIDENT SANCHEZ: One is a replacement,  
22 to be clear.

23 MR. AMODIO: Joseph Statuto.

24 PRESIDENT SANCHEZ: Joseph Statuto. He is  
25 a replacement, because he got hired and he

1                   couldn't take the job, so that's a replacement.

2                   And the mechanical diesel, all the hire is  
3                   a mechanical diesel was recommended by  
4                   Administration that is needed. He's a special  
5                   mechanical diesel that we needed.

6                   All right.

7                   MR. AMODIO: Adam Fahmi as a Mechanic.  
8                   Proposed salary \$48,000 with a range of \$17,804.80  
9                   to \$68,530.98.

10                  And Joseph Statuto, Laborer. \$38,000.00  
11                  and a range of \$38,000.00 to \$62,418.26.

12                  Do I have a motion?

13                  COMMISSIONER FRIEND: Move.

14                  COMMISSIONER KOLODZIEJ: Second.

15                  MR. AMODIO: By Commissioner Friend.

16                  Second by Commissioner Kolodziej.

17                  On the roll.

18  
19                  (Roll call was taken, all Commissioners  
20                  present respond in the affirmative. Commissioners  
21                  van and Rodriguez are absent)

22

23                  MR. AMODIO: Motion approved.

24                  I have nothing under Good and Welfare.

25                  COMMISSIONER FRIEND: Just a question, I

1 know it's only two weeks in the health insurance,  
2 has there been any complaints by any employees  
3 about coverage or anything?

4 So far so good?

5 MR. BELLA: Yes.

6 PRESIDENT SANCHEZ: You know what, I'm  
7 impressed. It has been more quiet now that it was  
8 implemented. Now everybody seems to be okay with  
9 it.

10 COMMISSIONER FRIEND: It's a good plan.  
11 It's always been a good plan, so.

12 PRESIDENT SANCHEZ: All right. Guys,  
13 thank you for your understanding, collaboration.  
14 See you next month.

15 MR. AMODIO: Time is 10:49.

16 Have a Happy Memorial Day.

17

18

19

20

21

22

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

C E R T I F I C A T E

I, LYNANN DRAGONE, License No. XIO1388, a Certified Court Reporter and Notary Public of the State of New Jersey, certify that the foregoing is a true and accurate transcript of the hearing at the time and the date hereinbefore set forth.

I further certify that I am neither attorney nor Counsel for, nor employed by any of the parties to the action in which this hearing was taken.

I further certify that I am not an employee of anyone employed in this case, nor am I financially interested in this action.

---

LYNANN DRAGONE, CCR  
Certified Court Reporter