

PASSAIC VALLEY WATER COMMISSION MEETING OF

MARCH 19, 2014

(OPEN SESSION)

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

GLORIA KOLODZIEJ, President

ROBERT VANNOY, Vice-President

JEFFREY LEVINE, Treasurer

MENACHEM BAZIAN, Secretary

THOMAS P. DeVITA

RIGO SANCHEZ

CHRYSTAL A. CLEAVES

A L S O P R E S E N T :

JOSEPH A. BELLA, Executive Director

GEORGE T. HANLEY, Counsel

JAMES G. DUPREY, Director of Engineering

JAMES J. GALLAGHER, Personnel Director

YITZ WEISS, Comptroller

LOUIS AMODIO, Administrative Secretary

1 PRESIDENT KOLODZIEJ: Call this meeting to
2 order.

3 We have a quorum.

4 MR. AMODIO: Commissioner Vannoy is
5 running late.

6 Commissioner Levine is not here yet.

7

8 (Roll call was taken, all Commissioners
9 present respond in the affirmative)

10

11 MR. AMODIO: Thank you.

12 You have a quorum.

13 The time is 9:36 a.m.

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

22 Will you please rise.

23 Commissioner Sanchez...

24 We have a number of members of the public.

25 Gentlemen.

1 PRESIDENT KOLODZIEJ: Before we begin, I
2 know each of you are saddened by Commissioner
3 Sanchez lost his dad. If we can just observe a
4 moment of silence.

5 Thank you.

6 May I have the sign-in sheet? If anybody
7 has not signed in the sign-in sheet?

8 Okay. First up is Mr. Guarasci.

9 MR. GUARASCI: Okay. Thank you.

10 Thank you, Members of the Commission. I
11 appreciate the courtesies that you've extended to
12 me and my colleagues over the last weeks in
13 learning more about the project. I did indicate
14 that I would be asking the State DEP to extend the
15 deadline so more public input could take place.
16 My request is in a form of a letter to Governor
17 Christie, which I'll read:

18 Dear Governor Christie:

19 I am writing to ask for your assistance
20 regarding the plans of the Passaic Valley Water
21 Commission to drain the Levine Reservoir in our
22 historic neighborhood in Paterson and replace it
23 with concrete water holding tanks.

24 As you know from your visit to NJCDC and
25 to our neighborhood with Geoffrey Canada in 2011,

1 we are working hard to replicate the work of the
2 Harlem Children's Zone in the neighborhood
3 surrounding Paterson's Great Falls and the new
4 national park situated here.

5 We take very seriously the charge that you
6 gave us that day to be the State's designated
7 nonprofit partner in undertaking comprehensive
8 neighborhood revitalization efforts that improve
9 child and family well-being for the thousands of
10 young people who live or go to school in our
11 target area. We have been meeting regularly with
12 your senior policy advisers and other office
13 officials throughout State government who are
14 assisting us in doing this vital work.

15 The PVWC is an important stakeholder in
16 our neighborhood by virtue of their ownership of
17 the Levine Reservoir. In deciding to drain the
18 reservoir and replace it with the concrete tanks,
19 the PVWC is seeking to comply with an
20 Administrative Consent Order with the NJDEP based
21 on the USEPA'S directive to remove or replace all
22 remaining open air reservoirs throughout the
23 nation.

24 Unfortunately, the PVWC did not seek any
25 input from the public during the process it

1 Thank you for any assistance you can
2 provide in extending the timeframe in the
3 Administrative Consent Order.

4 Thank you.

5 COMMISSIONER SANCHEZ: May I say
6 something?

7 PRESIDENT KOLODZIEJ: Yes.

8 COMMISSIONER SANCHEZ: Is your only
9 concern about the Levine Reservoir, because we do
10 all? Is that your only concern?

11 MR. GUARASCI: Well, my specific concern
12 is the Levine Reservoir itself, but, of course,
13 the process would apply to all of the reservoirs.

14 COMMISSIONER SANCHEZ: Let me ask you
15 this: You've been learning about this process, I
16 mean, every Commissioner on this table will be
17 more than happy to find out if you think there's
18 any alternative better than we have proposed.
19 When it comes to cost savings and everything else,
20 we'll be happy to hear any suggestions you might
21 have.

22 MR. GUARASCI: Well, in fact, the meetings
23 that we've had with Mr. Bella and Mr. Duprey have
24 allowed us to learn that there are in fact other
25 alternatives to draining the reservoirs. They may

1 not be optimal to this body, but they may in fact
2 be preferable to the ratepayers. And so it's that
3 type of discussion that was never had that I think
4 is vital to ultimately a final decision being made
5 that reflects the ratepayers.

6 COMMISSIONER SANCHEZ: And as far as
7 location of the tank itself, you don't have a
8 problem as far as draining the reservoirs and
9 putting a tank in that specific location, that's
10 not a problem with that location specific?

11 MR. GUARASCI: No, it is a problem. What
12 we object to in addition to the lack of process
13 that allow for public participation in the
14 examination of alternatives, is the fact that the
15 Levine Reservoir, which is a historic asset, is to
16 be drained while we do believe that there is at
17 least one alternative location.

18 COMMISSIONER SANCHEZ: Which one is that?

19 I'm sorry.

20 MR. SOO: If I --

21 PRESIDENT KOLODZIEJ: Out of order. He's
22 got the floor and I'm really being very lenient in
23 allowing this cross discussion, but for the sake
24 of clarity, go right ahead.

25 COMMISSIONER SANCHEZ: I'm sorry.

1 PRESIDENT KOLODZIEJ: No, no, for the sake
2 of clarity, I appreciate that.

3 MR. GUARASCI: It's located, the one we
4 are looking at, is located across the way not far
5 from the current site under the Garret Heights
6 complex.

7 COMMISSIONER SANCHEZ: And do you have the
8 specifics on that specific site?

9 MR. BELLA: We're looking --

10 PRESIDENT KOLODZIEJ: That came out of the
11 meeting.

12 COMMISSIONER SANCHEZ: I'm sorry.

13 PRESIDENT KOLODZIEJ: That's okay.

14 For the rest of our colleagues, our
15 Administration is looking into every alternate
16 suggestion. We appreciate your putting that on
17 the record.

18 COMMISSIONER SANCHEZ: I just wanted to.

19 PRESIDENT KOLODZIEJ: Yes, absolutely.

20 COMMISSIONER SANCHEZ: Thank you.

21 PRESIDENT KOLODZIEJ: Mr. Soo, now you're
22 up.

23 MR. SOO: Now, I'm up. Okay. Great.

24 Good morning, Everybody. David Soo,
25 Paterson Friends of the Great Falls.

1 So alternative sites has come up. There
2 is an abandoned quarry on the other side of
3 Route 80 against New Street by Dixon. I know that
4 may not mean much to you, but, you know, there's
5 that big townhouse development on top of the
6 mountain. There's like a quarry below it with a
7 big cliff drop off. That quarry is vacant. It
8 has been for many years...

9
10 (Whereupon, Commissioner Levine is present
11 at 9:45 a.m.)

12
13 MR. SOO: My understanding is it could be
14 made available. Nobody's doing anything with it.

15 I met with the director and Kevin Grine
16 (sic) and another gentlemen and we did some
17 computer mapping and looked at grades and it
18 seemed that we have feasibility here based on the
19 grades and the size of the lot that you could
20 possibly move the tanks from the reservoir, the
21 Levine Reservoir, at least, to the site. They
22 said there'd have to be like a buffer tank which
23 would contain a million gallons.

24 But I called Kevin on the phone after our
25 meeting and I said: You know, there's that vacant

1 lot right next to the pumping station that's
2 available, so maybe the million gallon buffer tank
3 could go there and then we're done; we're out of
4 the national landmark historic district.

5 And, you know, just sort of talking about
6 why that's an advantage. Why is that an
7 advantage? A national historic landmark district
8 of this character or this standing is equivalent
9 to trying to build these water tanks on the
10 Gettysburg battlefield or building them adjacent,
11 directly adjacent on Liberty Island where the
12 Statute of Liberty is. It has that level of
13 sensitivity.

14 I spoke to a representative from the
15 President's Advisory Council on the historic
16 preservation, that's Obama's council, and they
17 said the scrutiny is even higher, is an even
18 higher scrutiny when it's in this national
19 landmark. And the fact that the property is
20 directly adjacent to a national park means that
21 this is the worst, in terms of trying to get past
22 the historic review, this is the worst possible
23 situation; to be in the national park would be
24 worse. But that wouldn't really happen.

25 So that's why my encouragement has been,

1 move it somewhere else and avoid a review that
2 could go on for many, many, many years and it will
3 cause frustration and acrimony and frustration
4 with the public and costs and delays. We want
5 none of that. So even if this alternative site
6 costs some millions of dollars more...

7
8 (Whereupon, Commissioner Vannoy is present
9 at 9:48 a.m.)

10
11 MR. SOO: Because of its location and its
12 condition, I think that the escalating cost of the
13 delay would be a wash with whatever costs there
14 could be with this alternative site.

15 So Director Bella and Mr. Grine and, you
16 know, everybody is looking --

17 MR. HANLEY: Byrne.

18 MR. SOO: Byrne, sorry. I'm holding his
19 name in my hand. I can't even read it.

20 MR. HANLEY: You got to get those Irish
21 names correct.

22 MR. SOO: Didn't you guys have a holiday?
23 Are you recovered yet?

24 So, hopefully, in a couple of weeks we'll
25 circle back. We'll have a little more

1 information. I'm sure the director will bring you
2 whatever he finds.

3 I think we really have to push in this
4 direction. Maybe it would even be feasible to
5 situate some of the other tanks that are being
6 proposed on this site. I don't know about the
7 engineering, but if that's possible or possible to
8 find alternative sites for any of the locations, I
9 think you would go a long way to soothing the
10 public's concerns about this project and the cost,
11 because if the costs rise in some immeasurable,
12 you know, kind of frustrating way, I think the
13 general public will start to get very agitated, if
14 they're not already agitated.

15 So my hope is for the best and I look
16 forward to working through this process with you
17 all.

18 Thank you.

19 COMMISSIONER BAZIAN: Madam President?

20 PRESIDENT KOLODZIEJ: Yes.

21 COMMISSIONER BAZIAN: Just a question
22 because I'm a little confused.

23 Certainly, cost has been one of the issues
24 that has been raised about this project.

25 Regardless of which property we do it on, we're

1 still going to be going through construction and
2 whatever issues you have with cost of construction
3 is going to happen no matter where we want it. So
4 I'm just a little confused how adding millions of
5 dollars to the project to potentially purchase
6 some more properties and move it there mitigates
7 the financial aspects of the project. I'm just
8 confused on that.

9 PRESIDENT KOLODZIEJ: I think I would
10 rather hold that discussion for a discussion. The
11 last time I tried to hold a discussion like that
12 and shared your viewpoint, I was accused of being
13 antagonistic.

14 So let me just say that that point has
15 been raised. We've been trying to get that
16 across, but it's perceived as somehow we're being
17 antagonistic.

18 So your point is well taken. I hope the
19 public who's listening can understand where we're
20 coming from, but I would really prefer us to
21 listen to our speakers and we'll discuss that
22 later.

23 COMMISSIONER BAZIAN: A hundred percent.
24 Just to say, I'm shocked how that factual --

25 PRESIDENT KOLODZIEJ: I'm sorry, but

1 that's the way it's perceived.

2 COMMISSIONER BAZIAN: Thank you, Ma'am.

3 PRESIDENT KOLODZIEJ: Okay. We have Mr.
4 Weinberg.

5 MR. WEINBERG: Good morning. My name is
6 Alan Weinberg.

7 First, before I begin, let me just comment
8 and say that, you know, our questions and interest
9 in this project and sort of having a dialogue and
10 debate is not an antagonistic conversation. I
11 certainly believe that people having opinions is a
12 healthy function of public policy and, you know,
13 for us to just, you know, not be able to
14 communicate and sort of have that, what I call
15 healthy discussion, is important to note.

16 And I want to say that the two special
17 committee meetings that we had I thought were
18 incredibly substantive, incredibly substantive.
19 And we had prepared by reading through all the
20 documents we received from the OPRA request and I
21 thought we asked pointed questions to help us
22 understand it.

23 And certainly, before I read my prepared
24 remarks, I would say that there is a balance here.
25 We have to be balancing two very important things:

1 Number one, we're all mindful of cost and that's
2 what my comments are going to be focused on. But
3 we also have to be mindful of historic
4 preservation and the nature of the community. And
5 sometimes those two things are at odds, but
6 they're two very important public policies that we
7 have to deal with and they're not mutually
8 exclusive, and we have to deal with them together.

9 So back to my remarks.

10 I want to first thank Joe Bella and the
11 Passaic Valley Water Commission Staff for taking
12 the time to meet with us. As I just mentioned, I
13 thought the meetings were productive and this type
14 of public involvement is essential for successful
15 projects.

16 During our meeting, we did ask Joe and the
17 Passaic Valley Water Commission team several
18 questions about the project budget and followed up
19 with specific questions after. And I know they're
20 working on a response and I appreciate that very
21 much.

22 But I do think it's important for the
23 Commissioners to hear these questions we posed,
24 and some of the facts we have found because I
25 think we need to be clear about the cost of these

1 projects to ratepayers and how it will impact
2 water rates.

3 For example, I first heard the cost of the
4 project was \$80 million, and then I've seen the
5 number 120 million often quoted, but the only
6 comprehensive number I've seen is the \$135 million
7 total project figure in the feasibility report
8 from 2011 or 2012. It is also worth noting that
9 the \$135 million budget does not include financing
10 or escalation from delays, which could easily
11 bring the total cost closer to \$200 million over
12 the life of the entire project.

13 With such significant costs, we asked in
14 our letter how these costs will impact ratepayers
15 over the long term for the lifetime of the
16 project's debt service.

17 I would think the ratepayers should be
18 concerned.

19 For example, the five-year Capital Plan in
20 the 2008 budget, from 2009 to 2013, identified
21 \$69 million in capital investment, spending about
22 \$12 to \$15 million a year. The five-year capital
23 plan just adopted by this Board from 2014 to 2018
24 includes capital spending of \$191 million, almost
25 three times the size of the plan advanced from

1 five years ago. And that number doesn't even
2 include the Great Notch Project, which is the
3 largest of the reservoirs, I believe.

4 How can this agency, and more importantly,
5 the ratepayers sustain this level of capital
6 expenditure? Increased rates on customers would
7 appear to be the only option to solve this
8 problem.

9 But annual revenue, and this is important,
10 has grown from \$49 million in 2005 to \$85 million
11 in 2014. That's a \$36 million increase in revenue
12 over nine years or 73 percent increase. In fact,
13 there was a 21 percent rate increase in 2006
14 alone. While some of this revenue growth may be
15 from system expansion and I would certainly like
16 to know what portion is such, most of the revenue
17 growth is from increased water rates. Add to this
18 \$191 million five-year capital plan, driven by the
19 reservoir replacement projects and I would imagine
20 the pressure to raise rates over the next nine
21 plus years would be enormous.

22 Ratepayers, who will pay all these bills,
23 deserve information on the actual cost of the
24 reservoir placement projects, as well as the
25 annual rate increases associated with these

1 efforts and the total capital plan. Ratepayers
2 also deserve the opportunity to comment on the
3 project and consider alternatives.

4 As my colleague mentioned earlier, and I
5 will mention again, we do look forward to
6 reviewing the information on what these rates
7 would be in total, total impact would be to debt
8 service.

9 Two quick additional items before I close:

10 First, I've noticed in past years
11 contracts were awarded without competitive
12 bidding. I've seen the agenda. There's a request
13 for permission to advertise RFPs in 2014. Is that
14 a change in policy and can you help me understand
15 the process here at Passaic Valley Water
16 Commission on these issues?

17 Second, and this is my final question,
18 could you please clarify if any funding from the
19 New Jersey Environmental Infrastructure Trust
20 application, item 10 on today's agenda, would be
21 used for the Levine or other reservoir projects?
22 This would include project engineering and
23 administrative costs as well, not just
24 construction.

25 I look forward to your response.

1 Thank you.

2 PRESIDENT KOLODZIEJ: I'm going to have
3 the appropriate people address that in public
4 hearing.

5 May we have a copy of your letter? If you
6 can give it to Mr. Amodio and someone can make a
7 copy. Those things we can't answer today, we will
8 get for you.

9 Commissioner DeVita.

10 COMMISSIONER DeVITA: I'd like to make one
11 comment.

12 I think we all respect the right you all
13 have to ask questions and we encourage that. It's
14 a great idea. We didn't know, now you're here
15 asking questions. I don't regard your questioning
16 us as antagonistic, but I also think you shouldn't
17 regard our comments as being antagonistic. So
18 just as you have your viewpoints and you have your
19 questions, that's great and I think having sat
20 here and listened to a lot of stuff, I try not to
21 make comments to be antagonistic, but I would hope
22 you wouldn't take it. It's just my reaction.

23 MR. WEINBERG: Can I respond very briefly?
24 Just to respond on why I mentioned it. The
25 Chairwoman had brought it up first and at our

1 special committee meeting, you know, there was an
2 incident where the communication had broken down.
3 So it wasn't something I was mentioning lightly; I
4 was mentioning that.

5 COMMISSIONER SANCHEZ: Madam President?

6 PRESIDENT KOLODZIEJ: Sure, go right
7 ahead.

8 MR. WEINBERG: Just filling the
9 Commissioner on the history.

10 COMMISSIONER SANCHEZ: This conversation
11 going back and forth, we got more specific of
12 input. I don't know who it was, it was an
13 American President who says: When you see two
14 gentlemen fighting and you ask them if it's about
15 money and they say, no; it's about money. So all
16 we're doing here is fighting about money, I guess,
17 in a way.

18 PRESIDENT KOLODZIEJ: I think the
19 important thing was that we had an incredibly
20 substantive meeting and that was by design that
21 everybody on this policymaking group, everybody on
22 the administrative staff, trying to provide
23 anybody who wants that information with what they
24 need.

25 So I think that everybody involved should

1 have been credited and you did do that, and that's
2 kind of sticking in my claw right now. Please
3 know that that was not by design, we're trying to
4 inform, as you said, Commissioner DeVita, and I'm
5 sorry that some of our comments were taken out of
6 context.

7 COMMISSIONER BAZIAN: If I may, Madam
8 President. I have another agenda in my head on
9 this process. It's not just a matter of
10 informing. I never consider myself to be so
11 arrogant to believe I have all of the ideas,
12 perhaps all seven of us have all the ideas. I
13 want to hear the input from others because it's
14 been my experience that a lot of input generates
15 even better ideas, so the questions I ask are to
16 understand. So if I can understand where someone
17 is coming from, what the essence of their idea is,
18 it may clarify a point that I missed before and
19 perhaps there's something in it that can make it a
20 better plan, certainly, a better and cost
21 effective plan is all of our accomplishments.

22 PRESIDENT KOLODZIEJ: When we close the
23 public hearing, there are two issues that need to
24 be addressed today that can be addressed. Our
25 Controller will be one. Mr. Hanley will, once

1 again, address the bidding process to make that
2 clear for the public.

3 The whole idea, we sit on the finance
4 committee, you and I, so this whole discussion
5 that was put in this letter, I'm sure we can take
6 apart at our finance committee meeting so that we
7 can furnish the proper information so that they
8 can fully understand the principles we've been
9 operating under, but we'll need time to do that.
10 So Commissioner Levine is chairperson. We'll put
11 that on our agenda so we can formulate answers to
12 their questions.

13 That brings us to Mr. Gonzalez.

14 MR. GONZALEZ: Thank you.

15 Good evening, ladies and gentlemen,
16 Commissioners, Chair.

17 First, I would also like to thank Joe
18 Bella and Jim Duprey and their staff for taking
19 the time to meet with us twice over the last month
20 to discuss the project and answer many of our
21 questions.

22 I would also like to thank them for
23 agreeing to participate in a public information
24 session in Paterson that we are planning for
25 Thursday, April 24th.

1 I must also tell you, I am very impressed
2 with the knowledge of the Passaic Valley Water
3 Commission team and I'm pleased to report that our
4 meeting was very substantive, as well. Many
5 questions were answered and many good suggestions
6 were considered.

7 In fact, during the discussion, we came up
8 with alternatives, some of which would be more
9 costly during construction, others would require
10 more operating costs and less capital. And
11 certainly, all of which are offered have different
12 levels of water service optimization.

13 As we were discussing these options, I was
14 thinking, had the "horse already left the barn?"
15 I mean, does it still matter what we think today,
16 as the feasibility study is complete and designs
17 are now 60 percent? In short, does our opinion at
18 this stage matter? It should, but I fear that the
19 answer would be no, unless this Board takes action
20 to return this project, in particular, the three
21 reservoir components, to the feasibility stage to
22 allow for public input.

23 Why must we do this? Because the public,
24 community, interested parties, and consulting
25 parties were never part of the feasibility study.

1 I have read the Feasibility Study Executive
2 Summary with my colleagues, and it states as clear
3 as day in multiple locations throughout the report
4 that there was no public involvement as part of
5 this critical study.

6 This cannot stand. I know this body gives
7 a great deal of respect to government regulators
8 like the NJDEP and the EPA and their demands that
9 you move quickly, but I also think we need to give
10 the same level of respect to the public, the
11 ratepayers, who are the very people who will
12 shoulder the burden of these costs from their
13 weekly paychecks.

14 So I ask this Board, to please pass a
15 resolution reopening the feasibility study
16 regarding the three reservoirs, to both inform and
17 to seek input from the community. In the absence
18 of this, we will now be able to suggest real
19 alternatives, but simply be left to choose paint
20 colors for the tanks at Levine, New Street, and
21 Great Notch reservoirs. It is standard, basic
22 environmental planning to allow the public to
23 comment and I am hopeful the NJDEP will agree. My
24 colleagues will be reaching out to the State to
25 make the same case, but I think you should join

1 that effort.

2 I do hope you will do the right thing here
3 today, delay the project and reopen the
4 feasibility study so that the public can
5 participate.

6 And, again, I want to echo what my
7 colleagues were saying, we did have a great
8 meeting. A lot of information was shared, but
9 also a lot of new ideas were brought up and this
10 is the very reason why we want public input.

11 One of the Commissioners just mentioned he
12 wants to know more information. If he suggests
13 something and someone else can follow-up and come
14 up with a better plan, a better feasibility,
15 something that can work for all.

16 Thank you, Commissioners.

17 PRESIDENT KOLODZIEJ: Any other member of
18 the public that we overlooked? If not, can I have
19 a motion to close the public hearing?

20 COMMISSIONER BAZIAN: Move it.

21 COMMISSIONER SANCHEZ: Second.

22 PRESIDENT KOLODZIEJ: Mr. Hanley, can you
23 once again, kind of help the public understand the
24 bidding process. I think there's confusion out
25 there that will be helpful.

1 MR. HANLEY: I think the contracts you're
2 referring to, essentially, the feasibility study,
3 which was done by the engineering firms, and that
4 was done according to New Jersey law in the most
5 open way you can do those. Those are professional
6 services contracts as opposed to say a
7 construction contract where you itemize materials
8 and work and labor.

9 But we follow what they call the open and
10 fair process of, or sometimes referred to as
11 pay-to-play open and fair process procedure with
12 all professional services, which means that we
13 design an RFP, a Request For Proposal, with a fair
14 amount of detail and then we solicit any firm that
15 anybody knows of who might be, you know, qualified
16 or interested. And we publish those things, as
17 well, on our website.

18 And so we're in complete and scrupulous
19 compliance with that law, which is the most, how
20 do I put it, the most open way of doing
21 professional services available to us.

22 And then we receive the proposals. With a
23 complicated, long-term project like this one was,
24 we would take then a group of people, and this is
25 primarily engineers, usually, sometimes myself,

1 one or two Commissioners, myself, and we review
2 all the proposals and rate them based on the
3 criteria which is the recommended best practice.
4 And then score them. And then we usually pick the
5 top three.

6 Like I said, this is for the most
7 complicated contracts and this was done in this
8 case.

9 And then after those three are
10 interviewed, their qualifications and so forth are
11 reviewed again and then that committee, if you
12 will, or task force, recommends, makes
13 recommendations to the full Commission. But the
14 full Commission also reviews the top three and
15 some cases all of them, if they choose to, and
16 then a vote is taken.

17 So there is no more open and fair way to
18 do that to retain those professional firms that I
19 just described and that's what was followed in
20 this case.

21 PRESIDENT KOLODZIEJ: Thank you.

22 Thank you, Mr. Hanley.

23 MR. HANLEY: And, again, under the law
24 that we choose to follow. It's our option. We
25 believe in it.

1 MR. GUARASCI: Can I ask a question?

2 PRESIDENT KOLODZIEJ: No, the public
3 hearing is closed.

4 MR. HANLEY: Just one thing, those
5 proposals as they first come in are sealed and
6 there's a time deadline. In other words, we say
7 11:00 on March 23rd, they have to be there by
8 11:00 or they're not allowed to be received.
9 Again, that's part of the law.

10 So to that extent, it's very much like a
11 sealed construction bid, but there are differences
12 because there are judgmental things that occurs as
13 part of that process that I just described, but
14 that's, you know, that's because it's a
15 professional service.

16 MR. GUARASCI: May I ask a question?

17 PRESIDENT KOLODZIEJ: You can put your
18 question in writing and we will answer that for
19 you.

20 We have other questions coming out of the
21 speeches. The other question raised that can be
22 answered today is item number 10 on the
23 Resolutions.

24 The question was asked if that pertains to
25 anything in regard to reservoirs. So can we

1 explain this application that we have.

2 MR. WEISS: There's nothing in the
3 application that pertains to the reservoir cover
4 project. If there's anything that relates to the
5 reservoirs at all, that would be just regular
6 ongoing maintenance, but nothing related to the
7 reservoir covers.

8 PRESIDENT KOLODZIEJ: All right. So that
9 should quash any fears. This just happens to deal
10 with the projects that we have to get done for our
11 business and for safety reasons. So that's it.

12 So if you gentlemen will provide the
13 questions that hadn't been answered or additional
14 questions that have come out of the answers that
15 have been given, please make sure Mr. Amodio gets
16 them and we'll answer them.

17 All right. Let's move onto regular
18 business.

19 MR. AMODIO: We have committee reports.

20 IT.

21 COMMISSIONER BAZIAN: Thank you, Madam
22 President.

23 We had a meeting this month, a very good
24 meeting. We made a lot of progress. There were
25 two things that basically came out of the meeting.

1 We were talking about the goals for the year all
2 of which were previously discussed with this
3 Board; things like automated agendas to prevent us
4 from killing quite as many trees as we do. Things
5 to increase efficiency here. The WiFi for the
6 boardroom and WiFi for the public to assist them
7 while they're paying bills has been installed, is
8 up and running and it is, thanks to that, that I
9 have my agenda right in front of me right on the
10 computer right now. So I'm a happy camper.

11 There is the installation of the Customer
12 Service software. That whole process is underway.
13 And Yitz Weiss, our CFO, is heading that up.

14 I'm trying to think.... All of the goals
15 that we've set forth are being reviewed. Mr.
16 Amodio is looking at Board software. Jim is
17 looking at other aspects of other software that
18 will make us more efficient.

19 PRESIDENT KOLODZIEJ: It's incredible. I
20 am the least knowledgeable in this area, but
21 sitting on this committee, I have learned a lot
22 and I'm very excited about the direction in which
23 we're going. Staff has been doing a wonderful
24 job. People who are wearing several hats are just
25 as excited about the project. And Mr. Gallagher

1 and everybody involved has been doing a super job
2 and we've been doing it, basically, without
3 additional personnel at this time.

4 COMMISSIONER BAZIAN: That's correct.

5 There is one other thing I wanted to
6 mention. The bid proposal for the website has
7 been sent out. I don't know how many bids we've
8 got yet. They're due in on March 27th. So,
9 hopefully, at our next meeting we'll be able to
10 award that contract and get the process of redoing
11 our website and making it more functional, more
12 user friendly, and just basically more up to date,
13 hopefully, beginning very soon.

14 PRESIDENT KOLODZIEJ: It sounds easy, but
15 it's very time consuming. The energy level and
16 the desire to really get to that end result is
17 fantastic and everybody gets kudos as far as I'm
18 concerned.

19 Finance.

20 COMMISSIONER LEVINE: We discussed the
21 budget this year. Made some timelines and
22 timeframes that we wanted to go through on the
23 budget. We also changed the budget that we wanted
24 to review each department head's budget separately
25 because we want them to hand it into the fiance

1 meeting so we can look at each versus this year
2 versus last year to see what they're adding or
3 what they're taking off.

4 We discussed some overtime issues with
5 some employees that we want to, you know, that
6 we're trying to figure out a solution for. You
7 know, an overtime issue. Basically, we held off
8 on the goals and stuff because we wanted to wait
9 until you were there, so we don't go through
10 things. We wanted to wait until all of us are
11 there, the rest of the committee. This took up
12 over an hour just going through this.

13 What else?

14 COMMISSIONER BAZIAN: If I may? I just
15 want to expand on one thing that the Treasurer
16 said.

17 As you know, Commissioner, over the last
18 four or five years, we've made great strides in
19 our budget process. Speaking as a CPA, a budget
20 is a planning document. It's for us to not only
21 approve what we think we're going to be spending,
22 but also to understand where that money is going.
23 So a budget typically will consist of two basic
24 items: Your standard things that you're going to
25 have to buy; your chemicals, your salaries for

1 existing personnel, and things like that. And
2 then the additional things that we would expect
3 management to plan for, such as if you can, plan a
4 purchase of a vehicle, of equipment, additional
5 hires, and things like that. And that is what we
6 call the budget narrative, which Yitz gave us this
7 year at my request and went into the budget and
8 will continue even further.

9 We spent some time discussing the
10 importance of that narrative document and how the
11 phrase "has it been budgeted for" is not just a
12 matter of, do we have enough money in the budget
13 to cover this expenditure, but if this is
14 something that should have been planned and is not
15 something that is, you know, regular cost of
16 business, like paying the electricity. Is it in
17 the narrative or if it is not in the narrative,
18 then it hasn't been budgeted for in effect.

19 That's the discussion that we're having in
20 finance and I'm looking forward to your weighing
21 in on that discussion.

22 PRESIDENT KOLODZIEJ: Twenty years plus in
23 experience in budgets at the City of Clifton, I'm
24 looking forward to that discussion.

25 Just a question in the overtime. We've

1 been hammered this year because of the weather.
2 There's no way that you can budget those kind of
3 unseen --

4 COMMISSIONER LEVINE: We're talking about
5 employee.

6 PRESIDENT KOLODZIEJ: That we can control.

7 COMMISSIONER LEVINE: This is one hour
8 overtime. It's everyday.

9 PRESIDENT KOLODZIEJ: Exactly. Exactly.

10 COMMISSIONER LEVINE: It's something that
11 needs to be controlled. An employee who has one
12 hour every single day of the week with standby
13 time. That has to be controlled.

14 PRESIDENT KOLODZIEJ: Exactly. And,
15 Commissioner Levine, you have been on top of that
16 from the minute you headed finance. So we
17 appreciate it.

18 COMMISSIONER LEVINE: This isn't something
19 from a break or anything like that.

20 PRESIDENT KOLODZIEJ: That's what I
21 thought. I just wanted it on the record.

22 COMMISSIONER LEVINE: You weren't here.

23 PRESIDENT KOLODZIEJ: I just wanted to get
24 it on the record because the whole budgeting
25 process, if you haven't been through this type of

1 budget, is often confused, as nicely stated by
2 Commission Bazian. And I just wanted to make sure
3 that --

4 COMMISSIONER LEVINE: No, no, continually
5 ongoing, everyday.

6 PRESIDENT KOLODZIEJ: Terrific. So I will
7 make an effort to be at the next meeting.

8 COMMISSIONER BAZIAN: There's one other
9 item that came out of the meeting. I believe and,
10 Joe, back me up on this, I believe this January's
11 overtime was actually worse than last year's
12 overtime. Looking at, I believe, it was the
13 distribution department, please forgive me, I'm
14 pulling this from my memory, despite the fact that
15 we had more overtime, the new union contract and
16 the changes, elimination of the double time had
17 resulted in, Yitz, back me up, \$77,000, I think
18 was the number, we paid less this year than we did
19 last year. So, certainly, the work that we did
20 with the union and everything has resulted in
21 significant cost savings and still allowed us to
22 handle the emergencies and I think that's
23 something worth mentioning.

24 PRESIDENT KOLODZIEJ: Certainly.

25 Did you want to comment on any finance?

1 MR. BELLA: The fact that the weather was
2 really uncooperative this year made it difficult,
3 but they did a really good job at it also. So
4 it's just the managers, in fact. So despite
5 record, by a long shot, by the way, by about
6 30 percent over last year's record, and that goes
7 to the capital expenditures, we're seeing our
8 break rates take off. You know, they were going
9 like this and now it's starting to turn like that
10 and that's when you got to start replacing your
11 mains.

12 PRESIDENT KOLODZIEJ: So we've set our
13 priorities as far as investing our capital in
14 those projects, infrastructure projects that need
15 to be done.

16 I guess we better take personnel next.

17 COMMISSIONER VANNOY: Ours is very short.

18 Two electricians that we hired from the
19 Civil Service list. I believe they might have
20 been three and four. We interviewed the first two
21 guys. They did not want to take the position, so
22 we moved down the list, accordingly.

23 PRESIDENT KOLODZIEJ: Just a question:
24 How many electricians will we then have? We
25 already have an electrician, one?

1 COMMISSIONER VANNOY: No, no --

2 MR. BELLA: We'll have four.

3 PRESIDENT KOLODZIEJ: That's the number I
4 want. So we're adding two more to the four.

5 COMMISSIONER VANNOY: Right.

6 PRESIDENT KOLODZIEJ: And then my question
7 will be: This will help us to not rely on the
8 outside vendors that we used to have to pay
9 before, so by having somebody there immediately we
10 can cut down on the outside contracts.

11 COMMISSIONER VANNOY: Exactly.

12 PRESIDENT KOLODZIEJ: Got it.

13 COMMISSIONER SANCHEZ: I'd like to say,
14 obviously, I couldn't make it. It was personal,
15 because of my dad. I want to make a point and I
16 want to do it in public. I like to get my
17 personnel committee agenda at least 24 hours so I
18 have time to review my agenda and whatever is on
19 the agenda, otherwise, I will not show up at a
20 meeting where I don't get an agenda at least 24
21 hours prior to the meeting. So I just want to
22 announce that now. And I don't know how it gets
23 done, but it needs to get done.

24 I'm going to abstain on this. I got all
25 the information. I didn't participate. I just

1 want to make a point.

2 PRESIDENT KOLODZIEJ: Point well taken. I
3 gave the personnel committee a directive. Mr.
4 Amodio and I intend to hold to our regulation
5 about not having anything on the agenda. The only
6 reason the electricians are on the agenda is
7 because we have discussed this in previous
8 meetings, so there will be other discussions that
9 will be on for your next meeting which you will
10 thoroughly get at your meeting. And Commissioner
11 Vannoy, you promise me --

12 COMMISSIONER VANNOY: Yes. And our
13 personnel committee meeting will be a standard
14 meeting on the same day. Like we have our regular
15 meetings on a Wednesday, we'll set that so
16 everybody will know and you have to make time in
17 your schedule to be there. It will just be like
18 our regular Board meeting. I'm not saying a date
19 yet, but it will be like our, we have a scheduled
20 Wednesday, and that's when it will be and you
21 should make time to be there.

22 COMMISSIONER BAZIAN: If I may, these two
23 electricians, which department will they be going
24 into, Joe?

25 MR. BELLA: They'll be in maintenance.

1 PRESIDENT KOLODZIEJ: Commissioner
2 Cleaves, she was doing me a favor when I asked her
3 to serve on that committee. My goal was to have
4 each of the owner cities to be represented and,
5 Commissioner DeVita, she says she likes that
6 committee.

7 PRESIDENT KOLODZIEJ: All right. Joe, the
8 Executive Director's report.

9 MR. BELLA: Mainly, I want to talk about
10 the progress with the main breaks and one of the
11 things we can talk about in this is, you know,
12 capital program.

13 Our capital program shows mainly the two
14 things: One is the fence that unfolds because of
15 the reservoir project.

16 The other one is mainly switching our
17 focus from plant operations and construction to
18 distribution system.

19 Now, we need to focus our attention to our
20 distribution system. We were originally planning
21 on doing cleaning and lining projects, which just
22 basically do some rehabilitation to the mains, but
23 we see that that is not going to be sufficient.
24 We're going to have to do more main replacement
25 projects where we actually remove the old mains

1 and take them out of service. It's not an exact
2 science how you select them and that kind of
3 thing.

4 I think we talked about this before where
5 some of our mains were put in the ground in the
6 '50s are actually failing at a higher rate than
7 mains that were put in in the early 1900s. So
8 those are the kind of judgments that the Board is,
9 not the Board, the Engineering Department has been
10 making.

11 They're systematically going through the
12 system and keeping track of where the main breaks
13 are, what types of materials are in the ground and
14 so we're out there, you know, trying to make those
15 judgments in the best way we can and schedule
16 those projects over the four to five to ten years
17 is what we're trying to set these projects up.

18 That's pretty much what I wanted to talk
19 about.

20 The plant operations have been very good.
21 The issue with the salt is coming down very
22 nicely. You know, the fact that everybody ran out
23 of salt, that really helped us out. It wasn't as
24 much a problem. So sometimes things work in the
25 best.

1 The other thing, they switched to calcium
2 chloride, even though it's more expensive, it
3 still has less...

4 COMMISSISONER DeVITA: I have a strange
5 question.

6 Joe, towns or anyone else doesn't dump
7 their snow collection?

8 MR. BELLA: They don't allow it. That was
9 stopped back in the '80s.

10 COMMISSIONER DeVITA: So the salt is just
11 a runoff?

12 MR. BELLA: Runoff and our watershed,
13 Route 80 basically bisecting it and 287 and 280
14 it's hit harder than most. During this time, we
15 diluted, by the way, we used our water, our
16 allotment for Wanaque Reservoir and diluted and it
17 worked, actually, worked out quite well.

18 PRESIDENT KOLODZIEJ: There are so many
19 great items in here. It took awhile to go through
20 it. Again, staff is to be commended with
21 everything going in the right direction.

22 We have visitors here who will probably be
23 interested in a status report on the Great Falls
24 Pedestrian Bridge. So can you just expand on
25 that.

1 MR. BELLA: Sure.

2 The footbridge is basically, we had it
3 inspected. It was installed in 1982 and now it
4 needs some updating. There was a particular metal
5 that they used, 410. And over time it doesn't
6 rust like normal steel, but it sort of, you got to
7 inspect it more carefully.

8 So we had it inspected. It's just a
9 matter of updating and going through some stuff
10 and we're preparing specs now. We're going out
11 for bid on that. We want to keep it up to date.

12 COMMISSIONER DeVITA: It doesn't have to
13 be replaced?

14 MR. BELLA: No.

15 And the other bridge, not the historic
16 bridge, that one we maintain on a regular basis,
17 probably about every seven or eight years. We
18 have to sandblast and paint it and trying to
19 preserve that for as long as possible. It is an
20 important bridge. It's iconic to that.

21 PRESIDENT KOLODZIEJ: Right. I remember
22 the last time we did that with the blasting and
23 painting and all of that. It's a periodic thing
24 we have to budget for. So I just wanted the
25 audience to know that we are continuing to keep up

1 our properties.

2 Anything else from Joe?

3 COMMISSIONER BAZIAN: I just have a
4 question for Joe?

5 Actually, this related to some of the
6 things that were said by the public.

7 Joe, when you have an opportunity, one of
8 the suggestions that was made was that we actually
9 go back to feasibility. I'd be very interested to
10 know what the cost effect of doing something like
11 that would be. I'm not going to ask you for
12 numbers now, that would be unfair. But can you
13 just sit down and just ask yourself and try to
14 come back with some kind of an idea and report to
15 the finance committee, would be the appropriate
16 place, if we did something like that, what kind of
17 costs.

18 MR. BELLA: We have to look at all the
19 alternatives. That will take some time. We got
20 to look at some terms and conditions. We got to
21 look at, you know, the roads, and rights of ways.

22 COMMISSIONER BAZIAN: I get that. There
23 should be a number attached to doing all of that.
24 I'm just curious, ballpark, what that number is.

25 MR. BELLA: We're actually working on

1 that. We're looking in a responsible way. We
2 believe it's important, like everybody else, that,
3 you know, ideas are good.

4 MR. AMODIO: Anything further?

5 We'll move onto request permission to
6 advertise RFPs in the year 2014.

7 Questions?

8 Motion.

9 COMMISSIONER BAZIAN: Hold on, I'm sorry.

10 PRESIDENT KOLODZIEJ: Mr. Amodio is
11 looking for a motion.

12 COMMISSIONER VANNOY: Do you have a
13 question first?

14 COMMISSIONER BAZIAN: No, no. I just
15 didn't hear what he said.

16 COMMISSIONER VANNOY: So moved.

17 MR. AMODIO: Moved by Commissioner Vannoy.

18 COMMISSIONER DeVITA: Second.

19 MR. AMODIO: Second by Commissioner
20 DeVita.

21 On the roll.

22

23 (Roll call was taken, all Commissioners
24 present respond in the affirmative. Commissioners
25 Sanchez and Levine are not in the room)

1 MR. AMODIO: Motion approved.

2 Next, we have Howard Eichenbaum. Series
3 2014 Water Supply Revenue Bonds not-to-exceed
4 \$24,500,000.

5 Mr. Eichenbaum.

6 MR. EICHENBAUM: Good morning. My name is
7 Howard Eichenbaum. I'm with Gluck, Walrath, bond
8 counsel.

9 You have before you today a Bond
10 Resolution to approve up to \$24,500,000 of project
11 revenue bonds for various water system
12 improvements.

13 The Commission has already gone to the
14 Local Finance Board several months ago. They
15 approved the project. In addition to approving
16 the bonds, the Resolution also approves a bond
17 purchase agreement with an underwriter that had
18 been selected last year by the Commission, Raymond
19 James. Also approves a preliminary statement
20 necessary to sell the bonds and a continuing
21 disclosure statement necessary to sell public
22 bonds.

23 Because all the discussion has happened,
24 this project does not include anything relating to
25 the reservoir.

1 Any questions, I'll be happy to answer.

2 COMMISSIONER DeVITA: My understanding is
3 what's going to be covered by this Resolution is
4 contained in Exhibit A. Correct?

5 MR. EICHENBAUM: Yes. It's a lot of
6 different miscellaneous projects.

7 COMMISSIONER DeVITA: And this has already
8 been approved by the Local Finance?

9 MR. EICHENBAUM: Yes.

10 COMMISSIONER BAZIAN: Refresh my memory,
11 what are the costs of the Commission; issuing
12 costs, costs of underwriting, whatever it is?

13 MR. EICHENBAUM: That, I'm sorry, I don't
14 have in front of me.

15 The Commission did do an RFQ last year for
16 underwriters. I believe several were received.
17 Raymond James was selected based upon that RFP
18 process, based upon what they believe rates would
19 be for financing. And estimated total cost was
20 included with the Local Finance Board application
21 which was approved two or three months ago.

22 COMMISSIONER BAZIAN: As I recall, when we
23 had that discussion a few months ago, we had said
24 we weren't sure what all the costs were going to
25 be at that point. That seems to be my

1 recollection which is why I'm asking the question
2 now. Am I mistaken?

3 PRESIDENT KOLODZIEJ: No.

4 Well, it doesn't matter, what matters is
5 what's in this Resolution that we're working on.
6 So there is that cost. All of that is in here.

7 MR. EICHENBAUM: All the costs are built
8 into the bond issue. The largest piece of the
9 cost is what the underwriter will be charging.

10 If you like, I can call and get follow-up
11 information.

12 PRESIDENT KOLODZIEJ: Yeah. I think it
13 would be important. By the time we get to vote on
14 it, it's a very important question. We discussed
15 this as a Commission before. We're extremely
16 sensitive to that cost, so that will be helpful to
17 us.

18 Is there any other questions?

19 COMMISSIONER DeVITA: What we're going to
20 to do is approximately, 22 million, the bond costs
21 24,5.

22 MR. EICHENBAUM: The overall amount which
23 was originally provided to us was 24,5 which is
24 the amount that the Local Finance Board, the
25 actual amount be issuing based upon --

1 COMMISSIONER DeVITA: So it doesn't mean
2 that the difference, the 22 and 24,5 is going to
3 cost us?

4 MR. EICHENBAUM: No, not at all.

5 PRESIDENT KOLODZIEJ: But I would still
6 like to know that question.

7 One of our former Commissioners was very,
8 very concerned about those underwriting costs and
9 felt we really had to stay on top of that.

10 MR. EICHENBAUM: It will take me five
11 minutes.

12 MR. WEISS: Part of the difference between
13 the project of costs and the actual issue cost is
14 going to be the debt service reserve funding, the
15 debt service reserve.

16 COMMISSIONER DeVITA: We have to have that
17 same ratio.

18 MR. WEISS: Correct.

19 MR. HANLEY: Which, by the way, our
20 rating, our bond rating was reaffirmed and you'll
21 recall that we had part of the only, one of the
22 few public entities in the State that was upgraded
23 in our bond rating since '07. Am I accurate?

24 MR. WEISS: Yes, affirmed our rating A.

25 PRESIDENT KOLODZIEJ: I like the phrase

1 that said: Outlook for the future: Solid. So
2 kudos to all the hard work by everybody.

3 COMMISSIONER BAZIAN: If I may, just, I
4 know this may sound like a strange question from a
5 CPA, the higher our bond rating, the lower our
6 cost. Is that correct?

7 MR. WEISS: Correct.

8 MR. AMODIO: Controller.

9 MR. WEISS: Cash on hand is \$12.6 million.
10 Our accounts receivable is at
11 \$13.7 million. Our 30 days or less accounts
12 receivable is at \$13.3 million which is
13 approximately 97 percent.

14 Accounts payable is at \$6.7 million.

15 The reason our accounts payable is higher
16 than normal is because we've got a \$1.4 million
17 pension payment that has to be made by the
18 beginning of next month.

19 Our cash balances might seem lower than
20 what they were in the past, that's because Friday
21 last week we started sending out, we actually sent
22 out all the refunds for the recalculation on the
23 Lodi bills. The total on those numbers which was
24 approved by Lodi's CPA came to a total of
25 \$4,707,731.70 with about 4,600 checks. They've

1 almost all gone out. There were a couple that we
2 had to scrutinize. We're taking care of that.
3 That will be out at the end of the week.

4 COMMISSIONER BAZIAN: 4.7.

5 MR. WEISS: 4.7 million. That includes
6 the refunds -- I'm sorry, the \$4.7 million
7 includes credits that were applied to the
8 accounts.

9 COMMISSIONER BAZIAN: Not the \$8 million
10 that was reported? It's 4.7?

11 MR. WEISS: No, not the \$8 million. We're
12 really not sure where that number came from.

13 COMMISSIONER BAZIAN: I remember reading
14 that somewhere.

15 MR. WEISS: Just to clarify, the credits
16 to the accounts were \$4.7 million. The checks
17 that were sent were actually \$4.2 million.

18 PRESIDENT KOLODZIEJ: You all received the
19 copy of what's on the website how people who live
20 in Lodi or moved out of Lodi think they're
21 entitled to this, it spells out what each person
22 needs to do. Again, being that proactive is
23 important.

24 COMMISSIONER SANCHEZ: That is important

25 PRESIDENT KOLODZIEJ: Yes, it is. It's on

1 the web site.

2 All right. I think we're ready for closed
3 session.

4 MR. AMODIO: Can I have a motion?

5 COMMISSIONER BAZIAN: Move it.

6 COMMISSIONER SANCHEZ: Second.

7 MR. AMODIO: WHEREAS, Section 8 of the
8 Open Public Meetings Act permits the exclusion of
9 the public from a meeting in certain
10 circumstances; and

11 WHEREAS, the public body's of the opinion
12 that such circumstances presently exist;.

13 NOW, THEREFORE, BE IT RESOLVED, by the
14 Commissioners of Passaic Valley Water Commission:

15 1. The public shall be excluded from the
16 discussion of the hereinafter specified subject
17 matters; the general nature of the subject matter
18 being: Financial, Insurance, Personnel,
19 Contracts, Negotiations, Litigation, Security, and
20 Law. Under Law we have: Summary/Aging Reports,
21 North Arlington v. PVWC, Prismatic/Leopold v.
22 PVWC, Lodi v. PVWC, NJDEP v. PVWC, and the matter
23 of Falcone - 49 Chase Street, Nutley New Jersey.
24 It's a hold harmless. We have workers' comp case
25 of Keith Scheck and Jerome Bell.

1 Mr. Hanley, is there anything else?

2 PRESIDENT KOLODZIEJ: People, take your
3 conversation outside and let us get this on the
4 record, please.

5 MR. HANLEY: One additional one which is
6 JAK Diamond and Guido will be here.

7 MR. AMODIO: Personnel: We have new
8 hires: Joseph Casale and Bruno Vitale,
9 Electricians.

10 And any other matter as may be discussed
11 in closed session.

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

17 3. This Resolution shall take effect
18 immediately.

19 Second by Commissioner Sanchez.

20 On the roll.

21
22 (Roll call was taken, all Commissioners
23 present respond in the affirmative. Commissioner
24 Cleaves is out of the room)

25

1 MR. HANLEY: I apologize. I think it
2 would be more efficient to have Howard report to
3 you.

4 PRESIDENT KOLODZIEJ: Great, great.

5 MR. HANLEY: Before you finish the closed
6 session.

7 PRESIDENT KOLODZIEJ: He's got the number
8 for us.

9 COMMISSIONER BAZIAN: We're still in open.

10 MR. EICHENBAUM: The numbers that were
11 provided to the Local Finance Board back in
12 January, had estimated costs basically at
13 estimated underwriters discount, if it would have
14 been \$24 million worth of bonds, it would be less,
15 plus the original issue premium, which the
16 Commission will likely get based upon the market
17 today, so even if the Commission needs were 22 and
18 a half million, the amount of bonds sold would be
19 probably at least a million dollars or more less
20 than that because of the premium received. People
21 went high in price coupon bonds. The estimated
22 amount was \$120,250 based upon 24,050,000 and the
23 projected cost of issuance which would include,
24 you know, all the professionals, publications,
25 ratings, and so forth was projected at 163,5.

1 COMMISSIONER DeVITA: So roughly, 300.

2 MR. EICHENBAUM: Just under 300, yes.

3 MR. AMODIO: Would we do a vote on that
4 now?

5 PRESIDENT KOLODZIEJ: We can move that up
6 to now.

7 MR. AMODIO: We didn't.

8 COMMISSIONER BAZIAN: If I may?

9 PRESIDENT KOLODZIEJ: Yes, go ahead.

10 COMMISSIONER BAZIAN: All of the public is
11 out of the room, even though we're technically in
12 open session, they're out of the room thinking
13 we're in closed. Why don't we just do the vote
14 later?

15 PRESIDENT KOLODZIEJ: Okay.

16 MR. AMODIO: Is there a timeframe on this?

17 PRESIDENT KOLODZIEJ: No.

18 MR. EICHENBAUM: Do you need me to wait?
19 I can wait.

20 PRESIDENT KOLODZIEJ: No.

21 MR. AMODIO: When we're done, just
22 whatever documents.

23 MR. EICHENBAUM: Okay.

24 MR. AMODIO: Okay. Now, gentlemen, please
25 close the doors.

1 ***

2
3 MR. AMODIO: You have a quorum.

4 The time is 11:38 a.m.

5 PRESIDENT KOLODZIEJ: All right. We're
6 going to quickly go through the Consent Agenda.
7 Bring the items from the closed session here. We
8 have a separate vote for all. So can we just pay
9 attention for another five minutes, guys.

10 MR. AMODIO: First: We have the minutes
11 of Passaic Valley Water Commission in camera and
12 Regular Public Meetings held February 19th, 2014.

13 Do I have a motion?

14 COMMISSIONER DeVITA: So moved.

15 MR. AMODIO: By Commissioner DeVita.

16 Do I have a second?

17 COMMISSIONER CLEAVES: Second.

18 MR. AMODIO: By Commissioner Cleaves.

19 On the roll.

20
21 (Roll call was taken, all Commissioners
22 present respond in the affirmative, Commissioner
23 Sanchez is absent)

24
25 MR. AMODIO: Thank you.

1 Next: Does the Chair accept, receive, and
2 file miscellaneous purchase orders placed by Linda
3 Beckering, Purchasing Agent, for the period of
4 February 17th, 2014 to March 9th, 2014?

5 Madam Chair?

6 PRESIDENT KOLODZIEJ: Yes.

7 MR. AMODIO: Thank you.

8 Next: We're going to do Consent as
9 Commissioner Kolodziej has said. Just give me a
10 moment, I will recite them.

11 Item number 6. Contract #14-B-8 "Furnish
12 and Deliver Mobile Column Truck Lift System."

13 Recommendation to reject and rebid.

14 Item 7. Contract \$14-B-21 "Furnish and
15 Deliver Trailer Mounted Vacuum Excavating
16 Equipment and Appurtenances."

17 Recommendation to reject and rebid.

18 12-B-17 "Furnish and Deliver Water Meters
19 and Appurtenances and Scheduling Services."

20 Recommendations to extend for one year
21 contracts with Neptune Technology, in the amount
22 of \$1,221,284.73.

23 Resolution authorizing Passaic Valley
24 Water Commission to retain lawyer, Al Lisbona, as
25 representation in litigation related to the

1 Retrofit of the Water Treatment Plant by Prismatic
2 and Leopold.

3 And last, we have Resolution by Passaic
4 Valley Water Commission authorizing application
5 for loan from the New Jersey Environmental
6 Infrastructure Financing Program.

7 Do I have a motion?

8 COMMISSIONER DeVITA: So moved.

9 MR. AMODIO: By Commissioner DeVita.

10 Do I have a second?

11 COMMISSIONER BAZIAN: Second.

12 MR. AMODIO: By Commissioner Bazian.

13 Any questions?

14 Hearing none, on the roll.

15

16 (Roll call was taken, all Commissioners
17 present respond in the affirmative, Commissioner
18 Vannoy is out of the room and Commissioner Sanchez
19 is absent)

20

21 MR. AMODIO: Thank you.

22 Real quick, I'd like to go back up to
23 Resolution Series 2014 Water Supply Revenue Bonds,
24 not-to-exceed \$24,500,000.

25 Do I have a motion?

1 PRESIDENT KOLODZIEJ: Good question.

2 I need a second.

3 MR. AMODIO: Do I have a second?

4 COMMISSIONER BAZIAN: I'll second.

5 MR. AMODIO: Commissioner Bazian.

6 On the roll.

7

8 (Roll call was taken, all Commissioners
9 present respond in the affirmative, Commissioner
10 Sanchez is absent)

11

12 MR. AMODIO: Motion approved.

13 We'll move onto Summary of Disbursements
14 and Payrolls through March 19th, 2014, in the
15 amount of \$6,604,941.56.

16 Would the Treasurer like to make a motion?

17 COMMISSIONER LEVINE: I'll make a motion.

18 I'm waiting for confirmation from our CFO
19 on some of the checks, subject to that.

20 MR. AMODIO: Okay. Do I have a second?

21 COMMISSIONER VANNOY: Second.

22 MR. AMODIO: By Commissioner Vannoy.

23 On the roll.

24 COMMISSIONER VANNOY: I abstain on American

25 Hose.

1 COMMISSIONER BAZIAN: I don't remember if
2 Dell is on the list, so I'm going to abstain on
3 that.

4 COMMISSIONER DeVITA: I abstain on Rachles
5 Michele, yes on everything else.

6
7 (Roll call was taken, all Commissioners
8 present respond in the affirmative, Commissioner
9 Sanchez is absent)

10
11 MR. AMODIO: Next: We have
12 recommendations from closed session.

13 We have new hires: Joseph Casale and
14 Bruno Vitale, Electricians, with a proposed salary
15 of 65,000. I didn't get a full range but it goes
16 up to \$70,325.

17 PRESIDENT KOLODZIEJ: That's fine.

18 COMMISSIONER DeVITA: Moved.

19 MR. AMODIO: By Commissioner DeVita.

20 COMMISSIONER VANNOY: Second.

21 MR. AMODIO: By Commissioner Vannoy.

22 On the roll.

23

24 (Roll call was taken, all Commissioners
25 present respond in the affirmative, Commissioner

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Sanchez is absent)

MR. AMODIO: I have nothing further.

PRESIDENT KOLODZIEJ: Nothing under Good
and Welfare.

Motion to adjourn?

COMMISSIONER VANNOY: Move.

MR. AMODIO: By Commissioner Vannoy.

Unanimous.

The time is 11:44 a.m.

The next meeting is April 16th, 2014.

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C E R T I F I C A T E

I, LYNANN DRAGONE, License No. XI01388, 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 meeting at the time and the
date hereinbefore set forth.

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

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

LYNANN DRAGONE, CCR
Certified Court Reporter