

PASSAIC VALLEY WATER COMMISSION MEETING OF
SEPTEMBER 15, 2010
(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
IDIDA RODRIGUEZ, Vice-President
JEFFREY LEVINE, Treasurer
ROBERT L. VANNOY, Secretary
THOMAS P. DeVITA
GLORIA KOLODZIEJ
MENACHEM BAZIAN

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

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MR. AMODIO: Good morning, Commissioners.
Roll call.

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

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MR. AMODIO: You have a quorum.

The time is 9:44.

All of the requirements of the Open Public Meetings Act have been met. Commission notice 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.

Please rise for the Pledge of Allegiance.

Commissioners, we have a member of the public who would like to address the Board.

Sir, your name and address.

MR. CHESTNUT: Derrick Chestnut.

PRESIDENT SANCHEZ: Sir, state your name, for the Board.

MR. CHESTNUT: Derrick Chestnut, 301 East 41st Street, Paterson, New Jersey.

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PRESIDENT SANCHEZ: What brings you here today?

MR CHESTNUT: well, they told me to come here. I spoke to a legal attorney for you guys. They told me to come here. I had had a problem with the water and the water bill. I was out of town. The water was left on. It was running and I came back in, that's where the problem started at. Okay.

I have a mother that's sick and she was on a dialysis machine and my wife was out of work.

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She had three operations in the past year.

All I was asking for -- I was laid off. I have an appointment with Jeff Jones, who's a neighbor of mine, a good friend of mine. I'm back to work in 60 days.

What I was trying to do, I'm not asking for a freebee. I was asking for some time because my wife just went back to work. I'll go back to work in 60 days. Can I have a payment plan that I can afford until 60 days?

PRESIDENT SANCHEZ: Let me ask you this. What can you afford?

MR. CHESTNUT: My bill went up to like \$1200.

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PRESIDENT SANCHEZ: How much can you afford to pay it off?

MR. CHESTNUT: I can afford now \$150 until I go back to work and then I can put one lump sum two times.

PRESIDENT SANCHEZ: Meaning what?

MR. CHESTNUT: Whatever the bill is I'll put half. Five hundred and another 500.

PRESIDENT SANCHEZ: That will be when?

THE WITNESS: I go back 60 days. Full week. I would say 90 days.

PRESIDENT SANCHEZ: I think that's fair. All the Commissioners feel the same way, right?

COMMISSIONER DEVITA: I don't have any problem.

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MR CHESTNUT: I'm not asking for a freebee. Just for a chance to get --

PRESIDENT SANCHEZ: Thank you for coming. You are a gentleman.

COMMISSIONER DeVITA: Especially since I grew up on 40th Street.

Good luck.

COMMISSIONER KOLODZIEJ: Can I just ask from a procedure why it would come here? Isn't that something that administrative could do?

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COMMISSIONER DeVITA: He was probably told to come here.

COMMISSIONER KOLODZIEJ: Yeah, but I don't understand why. Is this an administrative prerogative and they can just handle it?

MR. BELLA: Yes, we do that routinely.

COMMISSIONER KOLODZIEJ: It's nice to learn.

MR. BELLA: He was asking for forgiveness because it was an unusual bill.

COMMISSIONER KOLODZIEJ: The forgiveness to come to us. Got it. The other stuff you guys handled. Got it.

MR. HANLEY: If I could explain. We did speak to the gentleman but the parameters he was seeking we didn't have the authority to approve.

COMMISSIONER KOLODZIEJ: He doesn't have the parameters to do a payment plan?

MR. HANLEY: No, he does. What this fellow was asking for initially was beyond that.

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COMMISSIONER KOLODZIEJ: So it's the initial wanting to forgive the amount.

MR. HANLEY: Also, by practice, there are also limitations.

COMMISSIONER RODRIGUEZ: He came in and

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threw out the Mayor's name.

PRESIDENT SANCHEZ: I just found out he had a prior payment plan and defaulted.

COMMISSIONER KOLODZIEJ: Can I have whatever that, what George is saying that there are parameters even with a payment plan. So can we have something in writing so we could just put it in our file.

PRESIDENT SANCHEZ: I just found out he had a previous payment plan. He had defaulted. That's why they didn't --

COMMISSIONER KOLODZIEJ: That's a parameter that falls back here, George. I still would like to have the written so everybody is treated the same.

PRESIDENT SANCHEZ: Let's move on. what else?

MR. AMODIO: Mr. Eichenbaum, are you ready?

MR. EICHENBAUM: My name is Howard Eichenbaum. I'm partner with Gluck, Walrath, bond counsel. I'm here today for basically three things -- two things.

Before you you have a bond Resolution to

authorize the issuance of up to \$6 million of bond

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in connection with a 2010 New Jersey Environmental Infrastructure Trust Program. The Commission has participated with this program frequently in the past, finance on a variety of costs. This year is with 2011 capital program.

The way the EIT program works is that you borrow the money from the State at rates that are ultimately highly subsidized. Part of the loan is a zero percent rate. The other half of the loan is a market tax exempt rate. Bonds will be sold by the EIT in November. Transaction will close in December.

This year, as with last year, the EIT has a partial forgiveness program which some participants participate in. Because of the ranking of the Commission in the program this year, it is eligible for part of that forgiveness. So approximately a quarter of the loan will be forgiven shortly after the December closing. So the Commission is extremely lucky. This is a phenomenal transaction.

The first proposal before you is the bond Resolution which must be approved and in fact must be approved today because of the timing of the closings for this transaction at the beginning of

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October.

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question. We bonded, how much was it last year? We bonded \$32 million and a big, and I don't -- don't quote me on it because I don't remember, a big part of that is for five year capital improvement plan. Okay. So now we're going out for another \$6 million. Whether 25 percent, whether 50 percent is forgivable and all of that, I need somebody to clarify to me why we already bonded money to I guess consolidate whatever it was that we did. That's the first thing.

The second thing I want to know what the Commission's cost is going to be.

But if we already did that, what are we bonding? Is this for lining, you know? If I could get a clear understanding of what it is that we're going out to bond for, on top of the \$32 million that should have put us right on track to do our five year capital improvement. I mean, I could be wrong. That's why I wanted Yitz here. I need somebody to really explain this to me because I need to understand. I'm seeing too much of this and I need to understand.

MR. EICHENBAUM: First, Jim may able to

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answer part of the projects. I'm not prepared to do that.

However, the program last year, a lot of that, of the financing from last year was to finance various reserves that the Commission needed overall for its bonding.

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COMMISSIONER RODRIGUEZ: For our rating you mean.

MR. EICHENBAUM: For your rating.

COMMISSIONER RODRIGUEZ: which was a certain amount. That was a lot of money, to the tune of \$6 million the Commission cost. But, go ahead.

MR. EICHENBAUM: The program for next year, which was discussed at the end of last year, beginning of this year, this has been an ongoing process as you know from sitting on the Board, the Commission -- any city or authority that participates in the EIT starts the process a whole year in advance. So these projects were discussed last October, last November. At that point, you know, the Commission knew it could finance these costs at a very beneficial rate to the EIT. They were for the year 2011 program. There was no reason to try to include these projects and any

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kind of financing for last year because of the beneficial rate you could get from the EIT and because it was for 2011.

COMMISSIONER RODRIGUEZ: Before you go on, what I'm looking for is, you know, clarification, because my memory is jarred. It was 11 months ago. And I remember that was -- we took on a huge amount of debt. So I just want to make sure that we're not compounding debt on top of debt because I don't have a problem with any of this as long as there's justification and we have clarity, the

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\$6 million is for what specifically? And you have to do that because an executive summary has to be done already.

MR. DUPREY: There's a description in one of the packets here. But it's basically 22,000 fee of cleaning and lining.

COMMISSIONER RODRIGUEZ: Okay. There you go.

MR. DUPREY: Of six, eight and 12-inch mains and about 5100 feet of 12-inch mains and replacement of about 3,000 feet of 12-inch mains.

MR. BELLA: This was originally going to be in the first packet of capital we went for. And when we broke it out, because we couldn't get

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to it all, so we broke it out over a two-year period. That was all in the capital budget.

PRESIDENT SANCHEZ: The six million is part of the --

MR. BELLA: Yes, yes. That was all part of the what we were originally going to do was one --

COMMISSIONER RODRIGUEZ: I see what you're saying. Instead of putting it in that lump, we're going to do NJEIT because there's a cost savings on the debt service.

MR. DUPREY: That right.

MR. BELLA: And actually we got lucky by splitting it because we didn't want to have all that money sitting there for two years and pay

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interest on it so we split it up.

The second thing is we, because of the way the application process works, we weren't eligible for that forgiveness. This year we were eligible.

PRESIDENT SANCHEZ: What percentage is forgiveness?

MR. EICHENBAUM: Twenty-five percent of the loan will be at a market rate of about four, four and a half percent -- I'm sorry, 50 percent will be a market rate of four, four and a half

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percent. The other 50 percent will be at a zero percent. But as I said, approximately, a million four --

COMMISSIONER RODRIGUEZ: You would say that -- it would be like half of that when you look at it overall, two point something percent.

MR. EICHENBAUM: Or less.

COMMISSIONER RODRIGUEZ: Let me ask you a question. One of the things that is becoming really, really big, there's a change at the Local Finance Board. They're looking at it very closely, is the issuance cost. And I would like to see issuance cost on this before, I mean, I will see it. But I want my colleagues to see it, too.

COMMISSIONER BAZIAN: Question. I'm sorry. How do issuance costs work? That's the cost for actually issuing --

COMMISSIONER RODRIGUEZ: The bond counsel, the miscellaneous, the bonding.

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COMMISSIONER BAZIAN: Like the closing costs on a --

COMMISSIONER RODRIGUEZ: Yes.

PRESIDENT SANCHEZ: That's part of --

COMMISSIONER DEVITA: It comes out of the

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bond.

COMMISSIONER RODRIGUEZ: We pay for it.

MR. EICHENBAUM: The cost of issuance fees would include the costs for bond counsel, my firm, financial advisor, NW Financial, the trustee, and some amount of costs that would be payable to the EIT's professionals which would include their bond counsel, their financial advisor. These things are built in.

COMMISSIONER RODRIGUEZ: We still pay back. It doesn't matter. It doesn't come out of our coiffeurs, but ultimately it comes out of coiffeurs. I feel the responsibility having been afforded the opportunity to sit on the Local Finance Board. I want to afford my colleagues, I mean, Commissioner Kolodziej, you've been on, but for the rest of my colleagues, I think it's important.

PRESIDENT SANCHEZ: Can we get an estimated cost of the bonds?

COMMISSIONER RODRIGUEZ: No, that goes out to market, you can't. Whether -- it's going to be done. If we approve this Resolution, it's going to get done. But putting that to the side, I just

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think that we should know.

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COMMISSIONER DeVITA: May I?

when we did bonding in the past, we have done it for awhile, we used to go out and get proposals and get costs so we knew what bond counsel was going to charge, trustees, financial advisor, everybody. So we knew what it was going to be. Now we don't know anything.

COMMISSIONER RODRIGUEZ: Time is of the essence of this, but you're right.

COMMISSIONER DeVITA: But we used to do that. We don't anymore. I understand it's important to us. But I think we should always know, I agree with you. We always used to know what it was. We get requests for proposals so we knew what it was going to cost us, percentage of this, percentage of that. The bond counsel, and I understand the way --

MR. EICHENBAUM: The Local Finance Board application that was filed and approved, I'm sorry I didn't bring it, does have an estimate of cost --

COMMISSIONER DeVITA: Understood. But we don't know.

MR. EICHENBAUM: I understand.

COMMISSIONER RODRIGUEZ: That was filed

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and approved for this?

MR. HANLEY: Don't you have a copy?
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COMMISSIONER RODRIGUEZ: That was filed and approved for this NJEIT?

MR. EICHENBAUM: Yes. The application that was filed with Local Finance Board has an estimated cost of issuance within the application.

COMMISSIONER RODRIGUEZ: And this is going to be heard when?

MR. EICHENBAUM: It was heard. It was approved several months ago.

COMMISSIONER RODRIGUEZ: I can't sit on these meetings.

MR. EICHENBAUM: It was approved probably June, July.

PRESIDENT SANCHEZ: You need a Resolution from us today? Is that what you need?

MR. EICHENBAUM: Yes. Basically, because the meeting last month was cancelled. Today is the last time we can have the meeting to be in the program this year.

PRESIDENT SANCHEZ: Okay. So --

COMMISSIONER RODRIGUEZ: Can I ask you a question? I need to be enlightened.

One more minute, Mr. President.

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Is this a ratification?

MR. EICHENBAUM: No. Basically we go to the Local Finance Board to have them approve and then get them to adopt the Resolution.

COMMISSIONER DEVITA: which has been done?

MR. EICHENBAUM: Board approval of the

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bond Resolution. We provide the Local Finance Board with a draft resolution.

COMMISSIONER RODRIGUEZ: Wait a minute, you provided the Local Finance Board with a draft and the Local Finance Board approved it with a draft?

MR. EICHENBAUM: Yes.

COMMISSIONER RODRIGUEZ: I'm going to find out.

MR. EICHENBAUM: For an authority, typically we get Local Finance Board approval prior to the adoption of the Resolution.

COMMISSIONER DEVITA: Question, if I may. You went through, is that in the papers here?

COMMISSIONER RODRIGUEZ: You should have a copy of that, the application.

COMMISSIONER BAZIAN: Mr. President, if I may.

As I recall, I'm sorry, as I recall when

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we were going through the contracts --

MR. HANLEY: Lou, you got to have a copy.

MR. EICHENBAUM: It was filed by Jeff, probably May, June.

COMMISSIONER RODRIGUEZ: I'm bringing this up because this is, you know, this has a new Executive Director. He called me last week and there's an issue with that being raised, you know.

COMMISSIONER BAZIAN: Mr. President, maybe this might help. I could be mistaken but as I recall when I was reviewing the proposals, both

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for our financial consultant and I believe also for the attorney, in the proposals there was a quote or at least an estimate on costs for bond issuance. Perhaps we could ask our CFO to go over those documents, pull it out and come up with an estimate for us based upon that. That should give us an idea.

MR. EICHENBAUM: I could probably call my office.

COMMISSIONER RODRIGUEZ: well, that application is here, Howard. And I'm not trying to belabor this but I just -- I do have an issue, not you, not this Board, but I have an issue with the Board that I sit on.

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MR. EICHENBAUM: I understand.

COMMISSIONER RODRIGUEZ: I have an issue with the Board that I sit on that they accept draft resolutions.

When I sit on hearings, draft resolutions are not accepted unless we get them the following day or unless we get them during the meeting. It could be different for authorities, I'm not -- they do everything on the consent agenda.

MR. EICHENBAUM: I agree with you, for municipalities it's very different.

COMMISSIONER RODRIGUEZ: But they do everything, the NJEIT does everything on a consent agenda so you don't know what's there and what's not there. And in the last two or three months

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it's been, you know, just like a little revolving door there. But I'm just surprised. I'm not going to bring this up, but I'm going to bring this up with the new ED about, you know, is this the common practice at LFB, draft resolutions that involve millions of dollars without Boards knowing about it, not that they don't know, but without approving a resolution before it's done. That's all I have to say.

COMMISSIONER DEVITA: Can I make a comment

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for this but in the future that we just kind of get an estimate?

PRESIDENT SANCHEZ: What do we do with this now? Is the Board ready to vote?

COMMISSIONER KOLODZIEJ: We have to.

PRESIDENT SANCHEZ: Can I get a motion to approve this?

COMMISSIONER DEVITA: Move.

COMMISSIONER KOLODZIEJ: Second.

MR. HANLEY: There's more than one Resolution.

Read the title, Louie.

MR. AMODIO: Yes. Resolution Series 2010 Supplemental Resolution --

COMMISSIONER BAZIAN: I'm sorry, Lou, I can't hear you. Could you start again?

MR. AMODIO: Series 2010 Supplemental Resolution number one authorizing Series 2010A and 2010B Series Bonds for the NJEIT.

Motion by Commissioner DeVita.

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COMMISSIONER BAZIAN: Second.

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

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MR. AMODIO: Motion approved.

The next is a Resolution of the Passaic Valley Water Commission making an application to the Local Finance Board.

Do I have a motion?

COMMISSIONER BAZIAN: I'm sorry.

MR. EICHENBAUM: Let me present that. That's a separate transaction.

Okay.

COMMISSIONER RODRIGUEZ: We're making an application for?

MR. EICHENBAUM: Okay. In 2000 the Commission issued a series of bonds. The financial adviser has determined that based upon increasing interest rates, it's possible to refund those series of bonds and provide interest rate savings.

In order to issue any bonding by the Commission, the Commission has to go to the Local Finance Board. In order to do that, it has to adopt a Resolution to go to the Local Finance Board.

This is the Resolution authorizing the Commission to file the application, which NW will file next week with the Local Finance Board to

refund.

The bonds to be issued would be approximately \$3 million of bonds. There will be a separate resolution that will be presented to the Board probably, you know, next, not probably, but next month.

COMMISSIONER RODRIGUEZ: Right.

MR. EICHENBAUM: In order to try to close this by the end of the year, that resolution would have to be adopted then. It would be published. The estoppel period would run. The bonds would then be sold some time late November and close just before Christmas.

So essentially today we have before you just the resolution to go to LFB. Separately, next month, you will get the actual resolution authorizing, you know, the sale of up to \$3 million of bonds to refund the prior issue of bonds.

Regrettably, Jeff Enright was supposed to be here. He must have got delayed in traffic as well. But as you know, the Local Finance Board won't allow the funding unless it generates at least three percent savings. So regardless of what the numbers would show right now, if three

percent savings aren't there, the bonds don't get sold.

So the application would be presented.
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Louis would have it. When you hear the Resolution next month, presumably after LFB has acted, it will have within it the estimated cost of issuance as well, all the professionals.

And for that one, that's a transaction that is strictly by the Commission. The EIT is not involved in it. But as I said, it will generate more than three percent savings inclusive of all cost of issuance.

MR. WEISS: Just for clarification purposes, this was presented to the finance committee at the last finance committee meeting. The details of the transaction that we got from Jeff Enright were presented to the finance committee. There is cost savings inclusive of the issuance cost. I believe, if memory serves, it was about \$160,000 that we were going to end up saving.

COMMISSIONER BAZIAN: On how much?

MR. EICHENBAUM: Up to three million.

COMMISSIONER BAZIAN: Up to three million.

MR. HANLEY: Just for clarification

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because this was raised by Commissioner Rodriguez. This issue is not a duplication because it takes out the old issue. So you're not adding debt.

COMMISSIONER RODRIGUEZ: Cost savings of this. This makes sense.

PRESIDENT SANCHEZ: Can I get a motion on that?

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COMMISSIONER RODRIGUEZ: So moved.

COMMISSIONER KOLODZIEJ: Second.

MR. AMODIO: On the roll.

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

MR. AMODIO: Motion approved.

Next Resolution concerning the findings of the Local Finance Board at a meeting of said Board on June 9, 2010, would you please?

MR. EICHENBAUM: The last Resolution. Basically, any time the Local Finance Board approves any requests of the Commission or authority, basically their findings have to be accepted by your Board and a group application has to be signed by all members.

PRESIDENT SANCHEZ: Can I get a motion on

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that?

COMMISSIONER KOLODZIEJ: So moved.

COMMISSIONER RODRIGUEZ: Second.

MR. AMODIO: On the roll.

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

MR. AMODIO: Motion approved.

I do have the group affidavit that has to be signed.

MR. AMODIO: Next, Mr. Bella.

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MR. BELLA: I just wanted to give you an update on a couple --

PRESIDENT SANCHEZ: Joe.

COMMISSIONER BAZIAN: Mr. President, he's on our dime. We have an attorney waiting for us and costing money. Why don't we go into closed session and deal with those issues.

COMMISSIONER KOLODZIEJ: We're almost done here. Five minutes worth.

MR. BELLA: Yeah, I'll be quick.

In particular, I'd like to thank the Board for their cooperation and their understanding of the issues that we had to deal with with this very

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large main break and all the subsequent main breaks afterwards. It really made our effort to get things done much easier by having a Board that was very supportive and interested in what was going on. And the help that we got from them, really appreciated and I made our staff understand.

And we're generating an engineering report, which I want to bring to the next meeting and just discuss that in closed session because there's some other ancillary issues.

But in particular, I just want to praise our staff on how well they did and how they responded and how organized the response was, which turned, really what could have been a chaotic situation, into a very orderly repair

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system getting people back into service.

PRESIDENT SANCHEZ: Joe, thank you.

I want to say something. If anybody saw the letter I received from one of the tenants, and on behalf of myself and most of the Commissioners here, we want to thank you and thank all the people involved. It was a chaotic situation. You all handled it professionally. And I mean, I want to say thank you. It made me feel as a

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Commissioner somebody is doing their job here.

Thank you.

COMMISSIONER KOLODZIEJ: I wanted to make a motion. It's customary on the Board I retired from to put a letter of commendation in the file. It should come from the Board. I'm sure Mr. Bella has taken care of that as their immediate boss, but just, as you said, our recognition.

PRESIDENT SANCHEZ: Can I get a motion?

COMMISSIONER RODRIGUEZ: You guys really did a good job.

COMMISSIONER KOLODZIEJ: Move.

COMMISSIONER BAZIAN: Second.

COMMISSIONER DEVITA: When that occurred on Broad Street, the big break, I was there at night with Joe and everybody else. It was kind of frightening what could have been at that site. And the doctor that owned that building is a client of mine. He made a point of calling me and just thanking me. And he's a tough guy. He made a point of calling me and thanking everybody that

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was involved and how they went above and beyond what they had to do. So it was really appreciated.

COMMISSIONER VANNOY: It was a big pipe.

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PRESIDENT SANCHEZ: Back in Cedar Grove, Joe. Remember Cedar Grove. Tom, you were here. Cedar Grove they had a main like how many, Cedar Grove.

MR. BELLA: That was 72.

PRESIDENT SANCHEZ: Yeah, the reaction, they flew all over, they broke windows in the houses. Somebody could have gotten killed. It's like a bomb.

COMMISSIONER BAZIAN: Mr. President, if I may.

First of all, I want to echo what everybody said. For me as a Commissioner this is the first time I ever attended something like that and seeing how hard these guys were working in appalling conditions, I mean, it was rainy, it was just awful. I was very impressed.

I would like to make one suggestion that perhaps might be best if we forwarded it to our P.R. committee. The notices that we post for a boil water giving the boundaries tend to be somewhat technical. And I got some feedback from some people who didn't quite understand. "Does it include me? Does it not include me? Is it here? Is it there? Do I have to figure out..." They

just didn't understand it. Perhaps we should look internally at a way that we could publish these notices and make it a little bit easier. I know one resident of Passaic actually made a map showing this is the area, something along those lines for the next time might make life a little easier for our residents to understand.

PRESIDENT SANCHEZ: You are sophisticated. My people don't boil. They don't care.

COMMISSIONER KOLODZIEJ: When in doubt, we boiled everything in Clifton.

COMMISSIONER RODRIGUEZ: All those notices are inhouse. I think the engineer --

MR. DUPREY: We'll do a map and post it on the web site.

COMMISSIONER BAZIAN: Again, you know, I am very, very impressed with the response of the Commission.

PRESIDENT SANCHEZ: That's a good idea that becomes, I mean, especially for senior citizens, they tend to, you know --

COMMISSIONER DeVITA: I think it's more a practical problem, getting to the people.

COMMISSIONER BAZIAN: Posting it on our web site is one way. That's another, maybe I'll

bring it up in the IT committee, perhaps we could have an e-mail blast when there's an issue we could send it out.

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MR. BELLA: One of the things that we're doing, to speak of that, one of the things we're doing, the new engineer, one of the new engineers we hired is an expert in GIS, which is Geographic Information Systems. And he's beginning the process of getting us completely on the GIS, which would make that task very easy. And it is clearly, we're a little behind on that. But we got a really top flight person there.

PRESIDENT SANCHEZ: How you doing with the new person?

MR. BELLA: Very well, very well. Really good hires.

COMMISSIONER BAZIAN: I'd love to sit down with him.

MR. BELLA: Sure, sure.

One other thing, Commissioners. In the past, some of the Commissioners don't like this, but I'd like to have a T-shirt made up for the people, typically in the big utilities they give them a T-shirt.

COMMISSIONER BAZIAN: "I Survived the

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Water Main Break."

MR. BELLA: Or a hat.

COMMISSIONER KOLODZIEJ: Knowing how extraordinary it was, it was nipped in the bud, I know my Commissioners to my right is not going to be happy. It could have happened in Paterson. It could've happened in Passaic. It was right in our

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arena. This is the one time I really think we should.

PRESIDENT SANCHEZ: Get them some Cuban cigars.

MR. HANLEY: Dominican.

COMMISSIONER KOLODZIEJ: Not as a policy, but as a once in a lifetime event.

I'll move.

Give us some quotes back.

MR. BELLA: We'll get quotes.

COMMISSIONER KOLODZIEJ: So move.

COMMISSIONER DEVITA: I'll second it.

MR. AMODIO: On the roll.

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

MR. AMODIO: You have the approval, Mr.

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Bella.

MR. WEISS: Cash on hand is 10.2 million.

Our accounts receivable is at 12.5 million, 95 percent of that is 30 days or less than 11.9 million.

Our accounts payable is at 4.4.

Our budget is well underway in terms of being able to develop that. We're working closely with our department heads. We expect to have some real numbers by the end of the month, certainly by the next meeting. And we will be reviewing those in the next finance committee meeting and we'll

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have some more details for you.

PRESIDENT SANCHEZ: How are we doing so far with revenue?

MR. WEISS: Cash wise, we're doing very well. We're refilling our reserves every month.

MR. AMODIO: That will be all. We could go to closed session.

Can I have a motion?

COMMISSIONER BAZIAN: Move.

COMMISSIONER KOLODZIEJ: Second.

MR. AMODIO: Pursuant to the Open Public Meetings Act, Commissioner Bazian offers the following Resolution for adoption:

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Whereas, Section 8 of the Open Public Meetings Act permits the exclusion of the public from a meeting in certain circumstances; and.

Whereas, the public body's of the opinion that such circumstances presently exist;

Now, therefore, be it resolved, by the Commissioners of the Passaic Valley Water Commission:

1. The public shall be excluded from discussion of the hereinafter specified subject matters; the general nature of the subject matters being: Financial, insurance, personnel, contract, negotiations, security, various litigation, inter-governmental agreement, requests for expansion of ingress/egress, summary aging, letter requesting use of parking lot after hours,

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appointments, new hires, increase, union negotiations, personnel issues, Estate of Alan Levine, and request for water bill adjustment, project no. 14 internal and external communications, and update-feasibility study and any other matter as may be discussed in camera.

MR. HANLEY: Louis, did you mention Estate of Levine?

MR. AMODIO: I did.

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

3. This Resolution shall take effect immediately.

Second by Commissioner Kolodziej.

On the roll.

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

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

MR. AMODIO: Time is 10:26.

You have a quorum.

Move onto Consent Agenda.

COMMISSIONER BAZIAN: That's 11:26.

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MR. AMODIO: Correct.

Approval of the PVWC minutes from the July 13th, 2010.

PRESIDENT SANCHEZ: I accept.

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MR. AMODIO: Approve.

Also, the purchase order reports from Linda Beckering. Does the Chair accept, receive, and file?

PRESIDENT SANCHEZ: Yes.

MR. AMODIO: Next. Moveing onto Requests For Action. Would you like to do it as a group?

PRESIDENT SANCHEZ: Yes, can we do one, two --

MR. AMODIO: Actually, it's five through nine under contracts.

PRESIDENT SANCHEZ: Okay. Five through nine.

(Whereupon, the following Requests for Action are voted on:

5. Contract #10-B-10 "Potassium Permanganate" recommendations to award a Two (2) Year Contract to, Brenntag Northeast, Inc. of Reading, Pa in the amount of \$1,095,000.

6. Contract #10-B-11 "Pavement and Sidewalk Replacement, Passaic County" recommendations to award a Two (2) year Contract to A.J.M. Contractors, Inc. Of Clifton, New Jersey

in the amount of \$1,946,300.

7. Contract #10-B-13 "Furnish and Deliver Products and Appurtenances for Standard Method 9223 testing" recommendations to award a Two (2) year contract to Idexx Distribution, Inc. of westbrook, Maine in the amount of \$199,944.

8. Contract #10-B-27 "Furnish and Deliver Type "K" Soft Annealed Copper Tubing" recommendations to award a one (1) year contract to, Grant Supply Company, Inc. of North Brunswick, New Jersey in the amount of \$54,742.10.

9. Contract #10-B-28 "Liquid Ferric Sulfate" recommendations to award a one (1) year contract to Water Elements, LLC of Lakeland, Florida in the amount of \$1,689,984.)

MR. AMODIO: Do I have a motion?

COMMISSIONER LEVINE: Move.

COMMISSIONER KOLODZIEJ: Second.

MR. AMODIO: On the roll.

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

MR. AMODIO: Next we have Resolutions.

would you like to move them as one group?

PRESIDENT SANCHEZ: Yes.

MR. AMODIO: Items ten through 12.
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(Whereupon, the following Resolutions are voted on:

10. Resolution Authorizing Passaic Valley Water Commission to increase its Bid Threshold from \$29,000 to \$36,000 in accordance with the criteria established under NJAC 5:34-5 et seq.

11. Resolution Authorizing PVWC's participation in the Water Research Foundation Project No. 4324 "Water Quality Impacts of Extreme Weather-Related Events" with a total in-kind service contribution of \$8,000.

12. Resolution Authorizing the Inter-local Governmental Services Agreement for Water Supply with the Town of Harrison.)

MR. AMODIO: Do I have a motion?

COMMISSIONER VANNOY: So move.

COMMISSIONER DeVITA: Second.

Question. Joe, does the Harrison thing affect our allocation at all?

MR. BELLA: It does, but we upped --

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actually, it is a small, we changed the peak number in there. So it's small.

COMMISSIONER DeVITA: Thank you.

MR. AMODIO: On the roll.

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

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MR. AMODIO: Motion approved.

Okay.

Next will be Summary of Disbursements & Payrolls through August 18, 2010 in the amount of \$8,426,987.82 and \$4,830,563.40 through September 15, 2010.

Mr. Treasurer, would you like to make a motion?

COMMISSIONER LEVINE: I make a motion to move those disbursements.

COMMISSIONER VANNOY: I'll second.

MR. AMODIO: Thank you.

COMMISSIONER DEVITA: I abstain on Rachele Michelle.

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

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PRESIDENT SANCHEZ: I abstain on Henry O'Baker and Montana.

MR. AMODIO: Moving along.

Recommendations from closed session.

I would ask counsel to please recite the City of Newark Resolution.

MR. HANLEY: I made some relatively minor changes based on discussions in closed. So you'll be adopting a Resolution entitled, "Passaic Valley Water Commission Resolution authorizing a form of Interlocal Government Services Agreement with the

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City of Newark for shared use of the Great Notch Reservoir." And in the second page of the Resolution, the first whereas clause, I modified that to indicate, obviously there is no such Resolution by the City of Newark, so I modified that to read that it is a "Resolution for a shared use of the Great Notch Reservoir as shall be adopted by the City of Newark and attached hereto upon adoption."

Obviously, we'll be coming to you if we finalize this with that attachment.

And then at the bottom of that same page in the blank space for the date, it should be, "On

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or about the day ascribed in the agreement," which again hasn't happened.

This way, as I said earlier, you're adopting a "form of Resolution" to take it one step closer to a final agreement.

MR. AMODIO: Thank you.

Do I have a motion?

COMMISSIONER KOLODZIEJ: Based on the explanation that this is form only, I will move this pending our final.

PRESIDENT SANCHEZ: Second by Commissioner Vannoy.

MR. AMODIO: On the roll.

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

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MR. AMODIO: Thank you.

Motion approved.

Next will be recommendations from
Executive Session.

We have a personnel agenda. Would you
like to move that as one?

PRESIDENT SANCHEZ: Yes. Let's move one
and two, hold three.

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(Whereupon, the following from the
Personnel agenda was voted on:

1. Appointments:

(A) Gregg Lucianin-Purchasing Assistant.
No change in salary at this time.

(B) Carmen Genao-Cashier.
Proposed Range: \$40,000-60,884.
No change in salary at this time.

(C) Nancy Marquez-Cashier.
Proposed Range: \$40,000-60,884.
No change in salary at this time.

2. New Hire:

(A) Craig Stoeper-Carpenter.
Proposed Salary: \$60,000.
Proposed Salary Range: \$55,000-68,999.

(B) Thomas Leonard-Carpenter.
Proposed Salary: \$60,000.
Proposed Salary Range: \$55,000-68,999.

(C) Joseph Aldighieri-Carpenter.
Proposed salary: \$60,000.

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Proposed Salary Range: \$55,000-68,999.

(D) Matthew Espino-Clerk Typist.

Proposed Salary: \$30,000.

Proposed Salary Range: \$16,315-52,634.

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(E) Amanda Torres-Clerk Typist.

Proposed Salary: \$30,000.

Proposed Salary Range: \$16,315-52,634.)

MR. AMODIO: Okay. Do I have a motion?

COMMISSIONER BAZIAN: Wait, wait. One, two, hold three.

MR. AMODIO: We're holding three and four actually.

PRESIDENT SANCHEZ: Exactly.

Move by Commissioner Vannoy and second by Commissioner Levine.

MR. AMODIO: On the roll.

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

MR. AMODIO: Motion approved.

Next I have approval of the proposal from the Estate of Alan C. Levine to settle at 60 percent of the cost for medical.

Do I have a motion?

COMMISSIONER RODRIGUEZ: I'm going to move that.

PRESIDENT SANCHEZ: Commissioner Rodriguez

is making a motion for the 60 percent amount.

COMMISSIONER VANNOY: Second.

MR. AMODIO: On the roll.

(Roll call was taken, Commissioners Devita and Kolodziej respond in the negative; Commissioner Levine abstains; and the rest of the Commissioners respond in the affirmative)

COMMISSIONER DEVITA: Notwithstanding Commissioner Bazian's information, I vote no.

COMMISSIONER KOLODZIEJ: Appointed election officials are deliberately held to higher standards. We were given an option to seek, people like myself, the initial point of election of coverage by the late Commissioner Levine was the way it should be. And based on not ever in the whole year we've been at this proceeding, given a proper answer on this, so I'm going to have to vote no.

MR. AMODIO: Motion approved. Four ayes and two nays. And Commissioner Levine abstains.

I have nothing further except for the fact that Commissioner Levine welcomed a daughter since our last meeting.

Congratulations.

PRESIDENT SANCHEZ: I feel under Good and welfare --

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COMMISSIONER BAZIAN: I do have an issue.

PRESIDENT SANCHEZ: Under Good and welfare, I want to hold a moment of silence for the 9/11. We should remember them.

Thank you.

COMMISSIONER BAZIAN: I have one item from the IT committee. The IT committee is seeking a consensus from the Board. We had an idea. It's clear that the PVWC needs a new web site. Rather than going the traditional route, the idea was that we try to put together a design competition to be open to students residing in the owner cities from high school senior and up.

We haven't worked out all the details. We just wanted to get an idea from the Board whether they thought this was an idea that they could see going forward and whether or not we should continue working with them.

COMMISSIONER RODRIGUEZ: I don't have a problem with that but we need a professional to edit the text. The design concept is good.

COMMISSIONER BAZIAN: We understand that.

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COMMISSIONER RODRIGUEZ: That's an excellent idea.

COMMISSIONER DEVITA: Why not juniors?

COMMISSIONER KOLODZIEJ: That was my fault, Tom. I felt that it was basically a scholarship. So we decided on the break off of the seniors.

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COMMISSIONER BAZIAN: The winning individual or team would be getting money towards a scholarship.

COMMISSIONER KOLODZIEJ: Or if college, it would be applied.

COMMISSIONER BAZIAN: To review what the old site --

COMMISSIONER KOLODZIEJ: It's a concept.

COMMISSIONER RODRIGUEZ: We need a professional to edit the text.

COMMISSIONER BAZIAN: The text will be given to the contestants.

COMMISSIONER KOLODZIEJ: We need permission --

PRESIDENT SANCHEZ: I think it's a good idea. The professional --

COMMISSIONER RODRIGUEZ: Next meeting?

MR. AMODIO: October 20th at 9:30 a.m.

COMMISSIONER BAZIAN: I take that as a yes.

COMMISSIONER RODRIGUEZ: Yes. I think it's a great idea to engage.

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