

PASSAIC VALLEY WATER COMMISSION MEETING OF
DECEMBER 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 (Absent)
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
present respond in the affirmative)

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MR. AMODIO: You have a quorum.

The time is 9:45.

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.

We have a number of professionals here.

MR. HANLEY: Let's take the attorneys first in closed and then come back out so we can get rid of them.

COMMISSIONER LEVINE: Let's get rid of the attorneys first.

MR. AMODIO: Do I have a motion?

COMMISSIONER BAZIAN: Move.

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COMMISSIONER VANNOY: Second.

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

Whereas, Section 8 of the Open Public Meetings Act permits the exclusion of the public from meeting certain circumstance; and

whereas, the public body is of the opinion that such circumstances presently exist;.

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

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1. The public shall be excluded from the hereinafter subject matters; the general nature of the subject matters being: Financial, Insurance Personnel, Contracts, Negotiations, Security, Various Litigation, Request For Ingress/Egress, Summary Aging, Title Changes, New Hire, Paterson MUA Request For Water Bill Adjustment, Passaic River.

Counsel, do you have anything else you'd like to add?

MR. HANLEY: Did you recite Gregory Avenue?

MR. AMODIO: No.
260 Gregory Avenue.

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

3. This Resolution shall take effect immediately.

On the roll.

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

MR. AMODIO: Time is 10:50.
You have a quorum.

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If someone would like to bring in the gentlemen from Paterson MUA.

MR. LOWE: Eric Lowe, Chairman of the Paterson Municipal Utility Authority.

MR. BLESSO: Francis Blesso, Project Manager of Paterson Municipal Utility Authority.

MR. AMODIO: Thank you.

Mr. Lowe, Mr. Blesso, if you'd like to address the Board.

Gentlemen.

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MR. BLESSO: We're here to discuss a water bill that resulted from a leak at the Municipal Utility Authority property. And we became aware of a problem when we received a \$7,000 water bill and our bill normally is about \$125 a quarter.

And I called up and inquired. I said, look, there must be a leak or -- I didn't even think it was a leak. I thought it was an error in the reading.

And I was told that the Commission, also it raised a red flag when they saw the reading and they sent someone out to read it again and determine that it was not only an inaccurate reading and it had increased significantly more than that.

The Commission felt that the fact that the employee was aware that there was a tremendous increase in water, that there should have been some kind of a courtesy or obligation to notify us about this problem and as a result it just

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continued on and I ended up calling the city plumber to look at it.

I had also called the Commission and the city plumber called, he had better access to get your employees out there, and by the time they got

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there, the city --

COMMISSIONER RODRIGUEZ: Excuse me, Frank, what happened, your city, the city plumber had to call to get somebody out there?

MR. BLESSO: The city plumber did because he's in contact with them on other issues. He was able to get someone out there that same day and by the time they arrived, he had already found that there was a -- after the meter, there were three separate lines. One line going into our building, which was usually the only source of water. Our building has just two toilets. No other service. And the other line, apparently there were two other lines, one into the former steam plant. If anyone is similar with the Falls, there's that terraced area and in the '70s, restrooms were put in but they were closed off many years ago. And I believe the other line may have been to a fountain, outdoor fountain. But whether the line directly into the fountain, that's where the water was leaking. Nothing was clearly coming out of the banks. You couldn't really see anything. But he shut that valve and immediately you can hear the meter stop.

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To the fountain?

MR. BLESSO: I'm guessing it was a fountain. The one in the direction toward the river. It's a one-inch line, just past the meter. So the meter was recording that leak.

COMMISSIONER DEVITA: Question. Your bills were averaging a hundred and a quarter and all of a sudden you get a \$7,000 bill a month?

MR. BLESSO: Yes. And that's why I called. And your people also reacted to that. But I'm suggesting they should have reacted a little differently in doing something or at least telling us to check something out. That's really the basis of our request that that additional amount be waived.

we've had subsequent readings. we've of course paid, once a week, we're current with our other bills.

COMMISSIONER DEVITA: The bills have now gone back?

MR. BLESSO: Yeah. I think we owe about 8,000 --

COMMISSIONER VANNOY: This is over a one-month period?

MR. BLESSO: It was a quarter.

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COMMISSIONER RODRIGUEZ: So it went from, like, \$375, you're telling me --

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COMMISSIONER VANNOY: No, 125.

COMMISSIONER RODRIGUEZ: A quarter to
7,500.

MR. BLESSO: Yeah. It was \$6,785.

COMMISSIONER RODRIGUEZ: Were we pumping
the Falls? Is there some kind of a benefit, we
turned on the Falls and that's what happened?

MR. BLESSO: The other point that I'd like
the Board to consider is that we've worked
together for many years and in fact, we cut the
grass on your property. You have about an eight
tenths of an acre there. We cut the grass. We
pick up the trash. Our landscaper does that.
It's kind of a courtesy that we provided because
he's out there cutting our grass. Your property,
I'm talking about where Mary Ellen Kramer park is
off of Maple Street. There's two buildings, your
pump house is there and the other two smaller
buildings, which need a lot of attention. The
buildings are really -- one is in very, very bad
condition. But we've taken care of the
landscaping, at least cutting the grass. I'm not
saying we do landscaping, but we cut the grass.

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COMMISSIONER RODRIGUEZ: That's a big
area. Absolutely.

MR. BLESSO: And I just think that should
be a consideration.

COMMISSIONER LEVINE: The pipe's fixed,
the leak and everything is all fixed or no?

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MR. BLESSO: The pipe is shut off. All they did was shut the valve. Then they did come back and they capped it so they don't have to depend on the valve itself. Our plumber did that.

COMMISSIONER LEVINE: So --

COMMISSIONER RODRIGUEZ: The city's plumber fixed the problem?

MR. BLESSO: Yes.

COMMISSIONER RODRIGUEZ: Fixed our pipe, our line, and your plumber fixed it.

COMMISSIONER DEVITA: No, it's not our pipe. It's after the meter.

COMMISSIONER RODRIGUEZ: Oh, after the meter. Okay.

MR. BLESSO: This is after the meter.

COMMISSIONER RODRIGUEZ: Okay. That's where the leak was.

COMMISSIONER DEVITA: This was just one month?

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COMMISSIONER VANNOY: One quarter.

MR. LOWE: We were just as equally shocked. All of a sudden, everything was fine and all of a sudden, woe, what's this?

COMMISSIONER LEVINE: Do you know how big the leak was? You never saw the leak?

MR. BLESSO: We never saw it manifest itself on the grounds or anything that might have triggered something. If we saw water coming out --

COMMISSIONER DEVITA: Did anybody from the
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Commission see the leak? Did any of you guys see leak?

MR. BLESSO: Your employees.

COMMISSIONER VANNOY: Did Kelly investigate it?

COMMISSIONER KOLODZIEJ: He gave us a report last week.

COMMISSIONER VANNOY: I missed it.

COMMISSIONER RODRIGUEZ: Can he come in? This is our town.

COMMISSIONER DEVITA: Is this something that you want to discuss in closed session, too?

MR. KELLY: The leak was over a four-month period. Lage meter feeds the MUA, which is the

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Great Falls, feeds a water fountain. It feeds, I think it's called Mary Ellen Kramer office or something right now. It feeds the old hydraulic steam building down below. We noticed an increase in the second month. I think it's Park Recreation handles your development, I'm not so sure.

MR. BLESSO: No, we get our bill --

MR. KELLY: The City of Paterson, someone --

MR. BLESSO: I called the city plumber.

MR. KELLY: It was leaking. He came back a month later again. Something was still leaking. They get a high reading again.

Customer Service notified them. Frank called us. Back and forth. Plumber came and

fixed after the meter. Over, I would say about 120 days it was leaking. We don't know it. They increased the water. We have no idea if they're using water. The meter gets read every three months. So we wouldn't notice it until the third month. That's when we noticed it and that's when we reacted, but the water already went through.

COMMISSIONER BAZIAN: Sir, if I may. I want to get a clear picture. In my mind it's almost separate from the issue of a bill. What

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could we have done? You mentioned you should have wished us to do something. What could we have done?

MR. BLESSO: I think when I was told that after the meter was read for that quarter and it was an unusually large meter, they went out to verify because they thought it might have been a mistake and they confirmed that, no, that consumption had taken place. And I felt that we should have been notified of that or at least someone should have checked for a possible leak, or that's my --

COMMISSIONER VANNOY: If they went out and verified it, how long did it take for -- did you know --

MR. BLESSO: No, no one told me. I'm saying until we got the bill. When we got the bill, I called up and that's when I found out that someone had verified that it was increase in consumption. But that's all they did. They

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verified, yeah, you're using a lot of water.
That's an accurate reading and they billed it.
And that's when we --

COMMISSIONER RODRIGUEZ: This isn't water
usage, this is lost.

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COMMISSIONER DEVITA: When somebody went
out there to check the meter because of the high
bill, somebody from the water Commission went out
and they verified that's the reading on the meter.

MR. KELLY: Our meter reader sent the
reading to the billing department. Maria Malfa
noticed the high reading, notified the city, I
guess MUA, because it come under Great Falls --

COMMISSIONER RODRIGUEZ: Who in the MUA
did she contact?

COMMISSIONER DEVITA: How much time
passed?

MR. KELLY: How much time passed? Three
to four days.

MR. BLESSO: They didn't notify us. They
sent a bill.

MR. KELLY: We don't know it's leaking.

COMMISSIONER DEVITA: I understand.

COMMISSIONER VANNOY: Once we found out
they were using that water, how long --

MR. KELLY: Three to four days and they
had a plumber come a week later.

MR. BLESSO: They never notified us. They
sent a bill. That's when I called up.

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employee, am I correct? who is the prime -- who is the contract person at the MUA?

MR. BLESSO: I'm the person. I'm part time.

COMMISSIONER RODRIGUEZ: Very part time, I may add. And Frank is saying as the only part-time person there, that he wasn't contacted.

MR. KELLY: whoever gets the bill from Passaic valley for three quarters, one quarter it says, "Unusual high reading. Please call Passaic Valley water." So the bill, I don't know if it goes to Frank or that address. So whoever opened that bill has to call and tell us.

MR. BLESSO: That was me and I called up.

COMMISSIONER BAZIAN: How long does it take from when the meter is read till they get the bill?

MR. KELLY: About four days.

MR. HANLEY: If I may. I think I can help.

whoever it is in billing who noticed that, that was after the -- the water was over the dam already.

MR. KELLY: For three months.

COMMISSIONER BAZIAN: I understand that.

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MR. KELLY: We rectified the problem right away. But the water went through the meter

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already. We're not authorized to say, you know, to drop the water. It went through the meter already. We reacted, but it was already through the meter.

COMMISSIONER RODRIGUEZ: Right.

COMMISSIONER DeVITA: You'd like us to do what today?

MR. BLESSO: To -- we paid an estimated \$200 for that water because that was in the range of what our bills had been. And our request, I believe, the gap now, because what happened was there was a quarter where there was excessive use and then there was a period of time from that reading to when the city plumber stopped the leak, that was another thousand dollars or so of water use. So that the total that related to that is \$8,415.70.

COMMISSIONER DeVITA: Excess water you're saying?

COMMISSIONER RODRIGUEZ: That's gone through the meter.

COMMISSIONER DeVITA: Above and beyond your normal bill. So it's 8,000 --

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MR. BLESSO: Four hundred fifteen dollars and seventy cents.

COMMISSIONER DeVITA: That you were charge for beyond your ordinary, customary usage.

MR. BLESSO: That's correct.

MR. KELLY: If I may say something, 7,000

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went through the meter. Then they were notified.
Another thousand dollars went through the meter
when it went through the repair. So they
waited --

MR. BLESSO: No, no. I'm sorry to
interrupt you. I apologize.

No. After the water was shut, I asked for
a reading and that didn't didn't happen till the
next regular meter.

COMMISSIONER BAZIAN: You asked for a
special reading?

MR. BLESSO: Yes. After it was shut, I
said now --

COMMISSIONER BAZIAN: How long was it
between after and you got the readings? Three
months?

MR. BLESSO: I'd have to look it up.

COMMISSIONER RODRIGUEZ: Mr. Blesso, what
are you -- I mean, what is the MUA looking for?

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COMMISSIONER DEVITA: He wants us to
forgive the extra --

COMMISSIONER BAZIAN: Does the MUA carry
any kind of insurance that might cover this?

MR. BLESSO: We have general property
liability insurance with a deductible. I don't
know if this would cover, but I think the
deductible --

COMMISSIONER BAZIAN: I don't know how
this works. I just thought I would ask.

MR. BLESSO: I'm not aware of any
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insurance that would cover this.

MR. LOWE: Based on our relationship over the years, I was hoping that we would come to some type of understanding in regards to this issue.

COMMISSIONER BAZIAN: Can I make a suggestion? I'd like to discuss this amongst the Commission. I'm not sure if this is under public.

COMMISSIONER RODRIGUEZ: No, this is closed session.

COMMISSIONER LEVINE: What was the offer that they made last time to the MUA?

MR. BLESSO: I got a phone call from Jim Duprey asking for \$3,000 if we would settle. I took that to the Board --

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MR. LOWE: Again, based upon the longstanding relationship that our boards had had with each other, I am looking for total absolvency of the bill.

COMMISSIONER BAZIAN: Stupid question. I'm not familiar with the MUA. The funds from the MUA, do they come from the municipality? Do they come from private donations?

MR. LOWE: No. We have a functioning hydroelectric plant which needs -- that pays us X amount of money and we also own the property and they pay us --

COMMISSIONER BAZIAN: Those funds go to -- what does the MUA do I guess is what I'm asking?

MR. LOWE: We own the Great Falls.

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COMMISSIONER RODRIGUEZ: which is a public park.

They mow our lawn. I'm being funny.

MR. LOWE: We do, we take care of your property.

We also have another issue in regards to the national park status and dealing with some other agencies throughout the State. It's the Ryle Dam.

we need to establish ownership because we

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have been in contact with FEMA. Because of the last storm that we had, there's been some damage and we need to, in order for us to proceed or find out who needs to proceed going forward, we need to establish ownership of that dam.

Because we share properties in proximity to the dam, we don't know if we own it or you own it or who owns it at this point.

COMMISSIONER DeVITA: The Ryle Dam.

COMMISSIONER BAZIAN: I imagine you have to interface with George.

MR. BLESSO: What this is, is that at the top of the Falls there was a masonry dam constructed about 1860. And this dam was to impound the water after it went over the S-u-m, the dam that was set up for the raceway to power the mills. John Ryle was the owner of Paterson's Passaic Water Company. And so he built this dam to impound the water after it went over the S-u-m dam and there were three reservoirs. And that dam

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and John Ryle really were the predecessors of this Commission.

And we hired a historian to go back and do that research to document the Passaic Water Company and so that the dam had, affects the view

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of the Falls and we were concerned that that dam was eroding. And if you've been there recently, you might recognize that the view of the Falls is kind of shifting back into the macadam because of the deterioration of this 1860, I'm calling it the John Ryle or the Water Company, it's really the Water Company Dam. And with every flood, we lose a little more of this masonry. We're concerned that the whole section is going to collapse.

So that we filed a request from FEMA from the last flood to ask them to repair because we've been documenting the loss. Asked them to repair the dam and they initially rejected it on the basis, they said, you're a national park, you go to the Department of Interior. And we showed them the legislation which says that although it's been declared a national park, the actual implementation, the execution of the park is dependent upon certain agreements, one of which will be with this agency. And so that the park is not officially a park at this stage.

The second point they said you got to prove ownership. And that's difficult. He said how do you know you're the owner. I said we own

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the land on both sides of the river. But actually

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on the other side is your property and I -- this report pretty much leads us to believe that the Water Commission, since their predecessor John Ryle built this dam, that it would probably have a claim that the Water Commission would own the dam.

COMMISSIONER DEVITA: In order for you to address the issue of dam, you got to show FEMA.

MR. BLESSO: Ownership first. There's another big stumbling block. After they show ownership, they require records that you maintain this dam for its purpose and you, I don't believe --

COMMISSIONER RODRIGUEZ: Original intent was to provide power to the mill. That no longer exists.

COMMISSIONER DEVITA: What do you need with the John Ryle Dam?

MR. BLESSO: Well, I think if we wanted to pursue the claim with FEMA, the owner would either, I guess we would ask you to take over the claim or sign us the rights to the dam.

COMMISSIONER DEVITA: We don't know who owns it.

MR. LOWE: That's the issue.

COMMISSIONER DEVITA: Have you had a

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search made?

MR. BLESSO: Not on that particular issue.
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We had a title search when this MUA bought the property from the city. So we have a great deal of search material, but...

COMMISSIONER RODRIGUEZ: I think that what has to happen, I think this is very important information, because the dam is -- from what I'm hearing you say, Frank, is, if the dam is not used for its original purpose, which is to power the mill, that hasn't been there since I don't know when. Okay. And so, I think I understand we have -- I think this is something that's going to have to go to legal with Mr. Duprey. We have to I guess go to the public records and find out who owns it and restore.

COMMISSIONER DEVITA: Maybe the MUA should have a search made, a title search to determine that.

MR. BLESSO: I'd like to leave this report.

COMMISSIONER RODRIGUEZ: You can leave it.

MR. BLESSO: We sent an earlier version. This was refined.

COMMISSIONER RODRIGUEZ: I think that's

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something -- I think it's good that you brought it to the Board. I think this is something that our professionals are going to have to work, you know, read it and sort of guide you on how to go about this and survey and see who owns this property and, you know, and I don't know --

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MR. BLESSO: The FEMA issue may be just kind of a waste of time. Because in terms of -- we will be able to clear up the ownership. I think it's going to end up as the -- with the Commission, but we won't be able to prove that it was maintained for its original purpose.

COMMISSIONER RODRIGUEZ: well, it's not, because the original purpose is not there.

MR. BLESSO: The original purpose was to impound water for a water company and that's no longer the purpose. So that's just another issue. I thank you for taking the time.

COMMISSIONER RODRIGUEZ: You're going to leave that for George and Jim and maybe Kelly can make copies.

what we're going to do, Frank and Erik, is we're going to discuss this in closed session and then I guess George, you will, or whoever, will get back to Mr. Blesso and Mr. President here,

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okay?

MR. LOWE: Thank you so much for your time.

COMMISSIONER RODRIGUEZ: Thank you for bringing that information up and we'll be in touch.

MR. AMODIO: Is Mr. Montgomery here?

COMMISSIONER DEVITA: He doesn't have to be here. We can just discuss it.

MR. AMODIO: If you'd like to bring in Jeff Enright. Do you want to go through that?

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COMMISSIONER DeVITA: Can I make a suggestion?

COMMISSIONER RODRIGUEZ: I'm sorry.

COMMISSIONER DeVITA: Commissioner Bazian has to leave soon so can we get the --

MR. AMODIO: Is Laura here? She's going to do the presentation.

Commissioners, we're going to do the IT committee.

COMMISSIONER RODRIGUEZ: Laura, would you like to start, please?

MS. CUMMINGS: We had an IT and security committee meeting this week and the Commissioner requested that we, it's a consensus from all the

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Board members with an agreement to the County Prosecutor's Office to share the use of the --

COMMISSIONER KOLODZIEJ: I think if you listen to some of the numbers, Mr. Benoit can throw out, by doing that, we are positioned right now, it goes right past the facility.

MR. BENOIT: It goes right past Main Street.

COMMISSIONER KOLODZIEJ: He threw out a number like \$2,000 a month if we do this with the phone and that would save us that much per --

MR. BENOIT: One of the beautiful things, it can be used as data as well, the camera and with our conversation with the County Prosecutor they seemed very open to the idea of continued

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shared services. We had shared services agreement, I'm not sure of the form of the agreement, to do the grant project which was the cameras. And they say they're more than willing to continue that sort of agreement. Continue to do our security cameras and our data transmission wise, in other parts of our facilities, our remote facilities only, the reservoirs, pumping stations. And so we discussed at the security meeting, continuing getting a consensus, not necessarily a

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Resolution of the Board, but a consensus of the Board members to pursue this sort of an agreement with the County going forward for other projects.

COMMISSIONER KOLODZIEJ: We have a cooperative Prosecutor. Commissioner Vannoy and I will vouch for that that for two years we were just like Ping-Pong balls with no interest. But this new Prosecutor is sharp. Money is out there. Joint ventures are the ones getting the money. So we just want the consensus, majority consensus, to tell Ed to go ahead and get back to us with something concrete.

COMMISSIONER DEVITA: We have nothing to lose.

COMMISSIONER KOLODZIEJ: Absolutely.

COMMISSIONER RODRIGUEZ: We have nothing to lose and I also defer to both you and to the committee because you've been working on this. I mean, Commissioner Bazian, for one year, but I was on that committee.

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COMMISSIONER DeVITA: You got my
consensus.

COMMISSIONER RODRIGUEZ: We have
nothing -- I think it's a great idea.

COMMISSIONER KOLODZIEJ: One, two, three,

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four.

COMMISSIONER BAZIAN: That's the majority.

COMMISSIONER KOLODZIEJ: We negotiate.
All the leg work that both of them have done.

MR. AMODIO: If you'd like to take,
Commissioners, would you like to take Jeff?

MR. ENRIGHT: Jeff Enright.

COMMISSIONER RODRIGUEZ: Commissioners.

MR. ENRIGHT: I'm Jeff Enright. I'm the
financial advisor, NW Financial.

Two things, both related to refunding of
your 2000 bonds that was priced last Wednesday.

First, I just want to point out that I
know George forwarded this to the Commissioners
via e-mail, but this process of going out for the
refunds, we had to go to the rating agencies and
through that process the Commission was upgraded
from SMP, from an A minus to an A. Moody's gave
the Commission an upgrade when it used them for
this bond deal. When we did the deal last year,
they rated the Commission, I believe it was a B
double A 1. And with a sort of a verbal
commitment to review the credit. Moody's did a
reevaluation of all its credits. Through that

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process they upgraded the Commission to an A 1,

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which was actually a step higher than the increase from the SMP rating.

In our view, we think a lot of it has to do with, you know, the Commissioners and the Executive Director and your financial staff. The long term outlook that was developed a couple of years ago, knowing that the reservoir projects were coming, the Commission implemented the five-year budget process and, you know, worked with other professionals, including ourselves and Howard Woods and Steve Wielkocz to implement and develop a plan which would really put you on firm footing so that going forward, knowing you have, you know, I think at the time it was 80 million, but it's higher than that now for the reservoir projects, that you could keep rates down as much as possible given the market.

These two increases that, you know, obviously come from the foresight of the Commission, the commitment to keep steady rate increases, to make the commitment last year to fund the reserves and, you know, working with the professionals and staff to really, you know, build a solid financial structure is really recognized now by the rating agencies. And that was

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something that, you know, was not recognized a couple of years ago when we went. And even a few

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years prior when, you know, when we had actually been downgraded by Moody's.

So, you know, I just wanted to point that out and to say that, you know, that, you know, your hard work and the hard work of the staff and professionals was a big part of this.

The other piece is the refunding. I don't know how many of you pay attention to the municipal markets, but we had identified this refunding I guess in, you know, July and August. It started to work. The State requires through Local Finance Board that the Commission achieve three percent savings. It's a small deal. It's 2.8 million. It only goes out five years.

COMMISSIONER LEVINE: What's the interest rate we're paying?

MR. ENRIGHT: The effective interest rate was about 2.58 percent.

COMMISSIONER LEVINE: Tax free.

MR. ENRIGHT: Tax exempt.

what happened was we, a couple of weeks before, the deal was achieving about 4.5 percent savings. As we got closer, the pricing, you know,

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the market started to get disturbed. Last wednesday, the day we had set up to price, things kind of went to hell in the municipal market. Interest rates bumped about 20 percent. The supply was flooded. People turned their attention away from regular tax exempts to investing in the

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Build America Bonds. The general belief is that when that expires, it's not going to be renewed and everybody was trying to get their hands on this money as soon as possible.

The underwriter on your deal was a small firm, Pal Capital Market, which we believe they did a very good job considering the market conditions. You achieved 3.71 percent savings, which was, you know, obviously not the four and a half and not the six percent when we first identified the deal, but, you know, you have to go through a process with this stuff. Unfortunately, we couldn't get into the market any earlier because of the NJEIT bonds we were required to wait 15 days before that closed before we can press these bonds. Everything said and done, you know, the deal saves a total of \$200,000 over five years about \$40,000 a year.

I think that --

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COMMISSIONER DEVITA: That's after all expenses?

MR. ENRIGHT: That's after all expenses.

COMMISSIONER RODRIGUEZ: Two hundred what?

MR. ENRIGHT: Two hundred one thousand -- \$40,000 a year.

COMMISSIONER RODRIGUEZ: Good job.

MR. ENRIGHT: The annual debt service is about 600,000 a year. You know, it's not a meaningful sum in terms of cash flow, but with savings.

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COMMISSIONER RODRIGUEZ: It is a savings.

MR. ENRIGHT: We honestly believe the market from last Wednesday, municipal market, shifted about another 25. Your deal would not work today. The refunding would not work. And our indications from what we understand is that, you know, the market is finally moving away from those historic loads. It's unlikely that we'll see another dip where these refundings are really working the way they have.

MR. HANLEY: Just so I understand, that's in essence because of the glut in the market because of the Build American Bonds have gone away.

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And secondly, what the Feds doing, going against but we still got a savings in excess of what the Local Finance Board requires.

MR. ENRIGHT: Again, we did do an analysis of the --

COMMISSIONER RODRIGUEZ: 3.78, you said?

MR. ENRIGHT: Yes. 3.71.

We did do analysis of the deal without your rating increase and the deal wouldn't have worked without your rating increase.

So, you know, again, they're tied together and, you know, I was able to save the Commission money.

COMMISSIONER LEVINE: Could it have saved us more if we waited? Not trying to catch

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the interest rate --

MR. ENRIGHT: It's very difficult to predict the market.

COMMISSIONER RODRIGUEZ: This is all speculative. This is almost, you got, especially when you do this every day for a living, you know when the time is right. We're starting our projects. This is for a specific --

MR. WEISS: Refunding.

COMMISSIONER RODRIGUEZ: But you just --

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you have to do it.

MR. HANLEY: The other thing, if I may. I know you'll never predict rates, however, right now it's fair to say that the trend is against us.

MR. ENRIGHT: Yes. The people who read the market for us and other firms that publish reports are really beginning to believe that, you know, interest rates are not going to go back down for awhile. To take the risk and, you know, I mean, not try to achieve the savings, this deal may be sitting out there for, you know, years. It may never get refunded if rates don't go back down.

COMMISSIONER RODRIGUEZ: Thank you.

First of all, the news last week with our rating, great news.

Again, thanks to Yitz and thanks to NW and Joe and Steve and Steve Wielkotz.

When I was President, one of the first meetings we had, we got all these people into the

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same room because we were talking about reservoirs, reservoirs, reservoirs for a year and I said, listen, you know, we have, not only do we have reservoir, I was hearing Commissioner Kolodziej talk about capital improvement.

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Commissioner Kolodziej said all our reserves have to go to capital improvement, only to find out we started with ten million supposedly dollars on the books and wielkocz came in and sort of did two years of auditing and we didn't even have, you know, one million the reserve required to run utility.

So, I have to commend all of you for doing a good job over the past, I guess like two years to get our ratings up, to get the reserves where we are and so thanks a lot.

Thank you.

MR. AMODIO: Thank you.

If we could, Commissioners, I'd like to follow that up with the 2011 adopted budget Resolution, if you don't mind.

Mr. Weiss.

MR. WEISS: You should have a copy of the Resolution. The numbers are exactly the same as we approved, the Resolution for the approval of the budget from last month.

It's just really a formality.

COMMISSIONER DEVITA: You need a motion?

MR. WEISS: Yes.

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COMMISSIONER DeVITA: So moved.

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COMMISSIONER VANNOY: Second.

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

MR. AMODIO: If you'd like to finish with the Controller's Report.

MR. BELLA: One thing I want to emphasize is, it didn't come out that way in his discussion but it was really a bold move of the Commission to reestablish those bond reserve funds, probably, I don't know if anybody else has done that, because of the bond, that market, that really made, makes a difference. That's a big difference. That was a bold move.

COMMISSIONER RODRIGUEZ: I could imagine. Like I said, you got to trust, you guys know what you're doing. I commend you for coming and as I said, this body is moving in the right direction getting as much information as we need for our --

MR. BELLA: Compliments, your Commission.

MR. AMODIO: Thank you.

If you'd like to have Mr. Weiss finish up his report.

MR. WEISS: Just to give you an overview,

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a bird's eye view of the financial.

Currently our cash on hand is 10.2

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million.

Accounts receivable 11.8. Thirty days or less accounts receivable 11.1 million, which is a little over 94 percent.

Accounts payable is 3.1 million and we expect to have no trouble having our reserves filled by the end of the month to make sure we end off the year.

MR. AMODIO: Thank you.

We'll quickly go to the Executive Director's report.

Mr. Bella.

MR. BELLA: I'll keep it brief.

Most important, you have a couple of things I want to address.

One is the main break that we had. I just want to compliment our staff on handling that. They did an excellent job. Jim did a great job. People in the plant did a great job. Laura. Mark Romain did a fantastic job. All in all, everybody did their part. But they did a great job. Somebody said to me, oh, you picked a good week to be off. I said, finally, after 30 years I picked

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a good week. But, anyway, so, but there is going to be ongoing work.

COMMISSIONER RODRIGUEZ: Joe, I don't mean to -- what I want to do, before you leave, because I think there's a few things that we have to request to action.

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MR. AMODIO: You want to do the recommendations from closed session?

COMMISSIONER RODRIGUEZ: Yes, please.

MR. AMODIO: would you like to do the Personnel one item. We could move it all once.

COMMISSIONER VANNOY: So moved.

COMMISSIONER BAZIAN: Second.

COMMISSIONER DeVITA: Question. Montgomery, do we have to discuss that?

MR. GALLAGHER: It's a Civil Service. Procedural.

(Whereupon, the following Personnel issues were voted on: Title Changes: (A) Josephina Silva, Clerk Typist to Laborer. No Change in Salary.

(B) Amanda Torres, Clerk Typist to Laborer. No Change in Salary.

(C) James Montgomery, Senior Water

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Repairer to Senior Stock Clerk. No Change in Salary.

2. Establish Department Head Status:

(A) Mark Romain-Assistant General Supervisor, Water (Department Head)

Proposed Range: \$51,665-\$121,000

Proposed Salary: \$121,000.

3. New Hire:

(A) Jerel Jones-Laborer/TA.

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

Proposed Salary: \$30,000)

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MR. AMODIO: On the roll.

COMMISSIONER DeVITA: I will vote yes subject to item three getting that opinion that was discussed.

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

MR. AMODIO: Motion approved.

Thank you.

Now, if you'd like to move onto Requests For Action.

Would you also like to do Requests For Action as one vote or would you like to do them

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separate?

One vote. Contract #10-B-12 and Contract #10-B-30.

Do I have a motion?

(Whereupon, the following Requests For Action were voted on:

Contract #10-B-12, Flocculation Aid Dry Polymer, recommendations to award a two year contract to Polydyne, Inc., of Riceboro, Ga, in the amount not to exceed \$372,690.

Contract #10-B-30, Water Meter Reading and Related Services, recommendations to Reject and Rebid.)

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COMMISSIONER DeVITA: So moved.

COMMISSIONER KOLODZIEJ: Second.

MR. AMODIO: Discussion.

COMMISSIONER DeVITA: The recommendation is to reject and rebid, not to approve. So, yes, vote to reject it.

COMMISSIONER BAZIAN: We're voting to accept the recommendations.

(Roll call was taken, all Commissioners

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present respond in the affirmative)

MR. AMODIO: Motion approved.

Next, if you'd like to move onto Resolutions.

Also, if you'd like to do that as one, with probably the exception of the rate increase. That's just memorializing. We'll do that one.

Resolution Memorializing the Rate Increase Approved by the Commission at its November 23rd, 2010 public meeting.

Do I have a motion?

COMMISSIONER KOLODZIEJ: So moved.

MR. AMODIO: Do I have a second?

COMMISSIONER VANNOY: Second.

COMMISSIONER DeVITA: Question.

Joe, I know what the rate increase is but last time we did a rate increase there were other increases and other charges to arrive at that percentage.

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MR. BELLA: The whole --

COMMISSIONER DEVITA: So the total package last time included extra charges for shutoffs and turn offs. Is any of that going up or is that -- this is just what, the consumption?

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MR. WEISS: And the base rates.

COMMISSIONER DEVITA: I vote yes.

MR. AMODIO: Any further discussion?

Hearing none.

On the roll.

(Roll call was taken, all Commissioners present respond in the affirmative, Commissioner Bazian having abstained)

MR. AMODIO: Motion approved.

Next we'll move onto Resolution awarding project #11, Risk Management Services.

COMMISSIONER LEVINE: I thought we were going to do them together? Aren't we doing 11 and 12 together?

MR. AMODIO: I'm just reading them out.

Resolution Awarding Project #12, Insurance Agent Services For Property and Casualty.

Do I have a motion?

COMMISSIONER VANNOY: So moved.

COMMISSIONER LEVINE: Second.

MR. AMODIO: Discussion.

On the roll.

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

MR. AMODIO: Thank you.

Next we could move to the consent agenda. And if you would like to add to the consent agenda from the Executive Director, we can add the approval of the pre-approvals to advertise for contracts for public biddings and the RFP for Pay-to-Play projects in the year 2011.

If you'd like to put that all under consent?

COMMISSIONER RODRIGUEZ: Yitz, when are these --

MR. AMODIO: The only one that will be done early is the insurance agent for health, which has to be done in February. The rest of them on the pay-to-plays will expire on April 30. But we're just asking for permission to advertise ahead of time.

COMMISSIONER RODRIGUEZ: April 30th?

MR. AMODIO: They expire.

COMMISSIONER RODRIGUEZ: Can we do them next month -- not to advertise, all right.

COMMISSIONER KOLODZIEJ: It's just

permission to advertise and then you can give him names.

MR. AMODIO: Just permission to advertise.
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Yeah, we'll do the procedural, we'll send out the memos and everything and advise you when they're going out.

COMMISSIONER BAZIAN: Move it.

COMMISSIONER KOLODZIEJ: Second.

MR. AMODIO: On the roll.

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

MR. AMODIO: Thank you.

We have one more issue here which would be the plaque which was stolen from the Great Falls walkover bridge. The request is asked for the Commission, I believe they spoke to Jim Gallagher, if he's here he can give you a better synopsis.

COMMISSIONER RODRIGUEZ: What is it they want?

MR. AMODIO: They're asking us to replace the sign on that bridge.

COMMISSIONER DEVITA: Is that our sign?

MR. AMODIO: You know what, can somebody

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get Mr. Gallagher?

COMMISSIONER KOLODZIEJ: Can we carry that for discussion? Carry it for discussion?

MR. AMODIO: Okay. Carried.

Then the only other item we would have is the vehicle equipment to be sold at junk public auction. I put today on everybody's pads, you

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have all the information pertaining to that, the vehicles. We have the City of Paterson, which is actually interested in about 11 or 12 of them. So, if there's no objections, we'll move forward with that. Whatever they don't want, we'll send out for auction, we'll scrap, whichever.

COMMISSIONER DEVITA: Have all the owner cities been contacted?

MR. AMODIO: All have been contacted. Paterson was the only one that requested.

COMMISSIONER KOLODZIEJ: So move the recommendation.

MR. AMODIO: Paterson already sent us back what they want and Clifton and Passaic are not interested.

COMMISSIONER KOLODZIEJ: I move the recommendation.

COMMISSIONER VANNOY: Second.

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MR. AMODIO: On the roll.

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

MR. AMODIO: The only other thing we have remaining here is the summary of disbursements and payrolls in the amount of \$2,941,003.13.

Does the Treasurer find them in order?

COMMISSIONER LEVINE: Yes.

MR. AMODIO: Would you please make a motion?

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

COMMISSIONER KOLODZIEJ: Second.

MR. AMODIO: On the roll.

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

COMMISSIONER LEVINE: I review them every month. I didn't get them because the rest of us couldn't get together to have a finance meeting this month. So I looked at some of them with Yitz but I didn't see the end, the extra stuff, the payouts to see where the bills go and everything

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like that.

So let me ask you a question, do I have to approve it right now?

MR. WEISS: You have to approve.

COMMISSIONER LEVINE: I can approve it subject to me reviewing it.

MR. WEISS: You can always review it.

COMMISSIONER LEVINE: That's fine.

COMMISSIONER RODRIGUEZ: What is this?

MR. AMODIO: Can we finish this?

We'll go on the roll.

COMMISSIONER BAZIAN: Hold on.

with reservations, yes.

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

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MR. AMODIO: Okay.

COMMISSIONER RODRIGUEZ: Joe, first let me apologize, I didn't mean to interrupt you.

First of all, this is like, we must be in the printing business here, because this is a lot, a lot of bills. What is this?

MR. WEISS: Copies of the legal bills. Finance committee asked that copies of legal bills

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go to all Commissioners.

COMMISSIONER LEVINE: This is one month?

MR. WEISS: That's right.

COMMISSIONER RODRIGUEZ: Every month we're going to get this?

COMMISSIONER DEVITA: If you don't want it, tell them you don't want it.

COMMISSIONER KOLODZIEJ: Tell them not to send them to you.

COMMISSIONER RODRIGUEZ: I'm not disputing anything.

Listen, listen, I'm just thinking since we have Ed Benoit here and IT we need description is what you're saying, right?

COMMISSIONER KOLODZIEJ: Again, if you trust us to go through this, we're okay with that.

COMMISSIONER RODRIGUEZ: I do.

COMMISSIONER KOLODZIEJ: We felt that everybody, because there's --

COMMISSIONER RODRIGUEZ: I think if there's a discrepancy, I think you would bring it

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to our attention.

COMMISSIONER KOLODZIEJ: It's not a discrepancy. It's policy issues that we're dealing with and how we might tighten and better

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track. That's the only overview that we're working.

COMMISSIONER RODRIGUEZ: Oh, better vehicle for spending.

COMMISSIONER KOLODZIEJ: Yes. We'll be talking about some measures that municipalities have gone into cost savings. We out source a lot. And there's questions as to why and how and if we can do better by hiring a different part-time lawyer. These are the kind of discussions that are going around in finance. Nothing solid yet. But we felt that by your tracking these bills you would have a better feel for what our recommendation may be in the end.

COMMISSIONER RODRIGUEZ: So we're going to look for a --

COMMISSIONER KOLODZIEJ: We don't know yet. It may not be cost effective. We're discussing all the possibilities.

COMMISSIONER RODRIGUEZ: -- Another practitioner. I hear you.

COMMISSIONER KOLODZIEJ: A good committee, nothing concrete.

COMMISSIONER RODRIGUEZ: I hear you.

MR. AMODIO: Okay.

Commissioners, I have nothing else.

COMMISSIONER RODRIGUEZ: We're going to discuss MUA.

MR. AMODIO: You want to go back into closed session?

COMMISSIONER DeVITA: Can I make a suggestion? I'd like to get more information from John about dates and stuff like that.

MR. AMODIO: You want to hold it to the next meeting?

COMMISSIONER KOLODZIEJ: And, again, what the policy is. Because this is after the meter and we've had little customers come in and we've been consistent in how we dealt with them. We offered them a compromise and I'm willing to offer a compromise but total absolve --

COMMISSIONER VANNOY: Didn't you offer something?

COMMISSIONER KOLODZIEJ: They rejected it. So if we want to sweeten the pot, fine. But to absolve the whole debt like that, I'm telling you right now --

COMMISSIONER VANNOY: I think that takes a little time.

COMMISSIONER DeVITA: I'd like to talk to

John.

COMMISSIONER KOLODZIEJ: Let them come up with a number that makes sense.

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COMMISSIONER VANNOY: We're not going to shut off their water.

COMMISSIONER KOLODZIEJ: No.

COMMISSIONER RODRIGUEZ: Paterson MUA is generating.

My suggestion to the Mayor was to really look at it and make that MUA into something significant at our meeting. You know, I told him, they're not revenue generating. They can be. I think it was the guy for the plaque that did a million year contract with one of our competitors.

MR. AMODIO: The recommendation --

COMMISSIONER KOLODZIEJ: We're headed to some sort of compromise that makes sense.

MR. AMODIO: We'll carry that.

COMMISSIONER RODRIGUEZ: I'm sorry, Joe. Anything else?

Again, you know what, please thank the guys and the gals on our part for the hard work. We've had, what, 18 main breaks in the season or --

MR. BELLA: We've had 11.

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COMMISSIONER RODRIGUEZ: One of the things that you want to talk about maybe, special project to get together --

MR. AMODIO: Okay. Commissioners, just one last thing, if I may.

We don't have a meeting scheduled for next month, however, we've been going with the third

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wednesday of the month. That would be the 19th of
January. If everybody's in agreement? I will
send a notice out on that.

COMMISSIONER DEVITA: That's consistent.

MR. AMODIO: And it will be the reorg. Is
everybody fine with that? 9:30. January 19th,
wednesday, 9:30 a.m.

COMMISSIONER KOLODZIEJ: Move to adjourn.

COMMISSIONER LEVINE: Second.

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