

PASSAIC VALLEY WATER COMMISSION MEETING OF
NOVEMBER 22, 2011
(OPEN SESSION)

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

THOMAS P. DeVITA, President
RIGO SANCHEZ, Vice-President
JEFFREY LEVINE, Treasurer
MENACHEM BAZIAN, Secretary
IDIDA RODRIGUEZ
GLORIA KOLODZIEJ
ROBERT VANNOY

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

JOSEPH A. BELLA, Executive Director
LESLIE G. LONDON, Acting Counsel
JAMES G. DUPREY, Director of Engineering
JAMES J. GALLAGHER, Personnel Director
YITZ WEISS, Comptroller
LOUIS AMODIO, Administrative Secretary

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PRESIDENT DeVITA: Call the meeting to
order.

MR. AMODIO: On the roll.

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

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MR. AMODIO: Thank you.

You have a quorum. The time is 10:04 a.m.

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

Would everyone please rise?

PRESIDENT DeVITA: Would you remind standing for once second. I would just like us to have a moment of silence.

Thank you.

MR. AMODIO: First item we'll start with committee reports.

PRESIDENT DeVITA: Personnel, Bob.

COMMISSIONER VANNOY: Personnel, I'm going

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to actually make a motion to table actually everything except for the last one for the new hires. I believe that we just need a little bit more structure with this. Some other things kind of popped up last minute, and we need to sit down and talk about it before we do it.

PRESIDENT DeVITA: I think there was one additional item that we got yesterday, an additional new hire, which wasn't listed. I don't know if Jim Gallagher -- by the way, I'd like to welcome Leslie London as our counsel at this

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meeting. Thank you very much.

I don't know if Jim spoke to you. There was something that was passed out, if we could vote on that today.

MS. LONDON: Yes, you can add items to your agenda as long as the meeting is a discussion meeting where you have special items.

PRESIDENT DeVITA: I believe it was.

One of the issues and Yitz will go over this and Jim will go over it, we have a payroll specialist, is she called?

MR. AMODIO: Payroll clerk.

PRESIDENT DeVITA: We have somebody retiring December 31st. We had God knows how many

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applications, interviews, and everything else and I think the Administration voted.

COMMISSIONER VANNOY: They actually never brought it to us.

PRESIDENT DeVITA: We got it yesterday.

COMMISSIONER VANNOY: They just had somebody hired.

PRESIDENT DeVITA: I know. But I think the problem is from what Yitz told me yesterday, there's a problem with tabling that also because --

COMMISSIONER RODRIGUEZ: You know what, with all due respect, I listen to what Commissioner Vannoy is saying. If we set policies and procedures in place here, they have to be

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followed for everything.

PRESIDENT DeVITA: Absolutely. I agree with you.

COMMISSIONER RODRIGUEZ: New hires has to come through personnel and personnel has to look at them, you know. That's the procedure.

COMMISSIONER VANNOY: From what I understand, as well, I know Kathy is leaving at the end of the year, but I was told that Esther could actually do this work.

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PRESIDENT DeVITA: Listen, I'm just going by what I was told yesterday by Yitz and Jim Gallagher that we need this today and if the consensus of the Board is we don't, then we'll we put it off. So be it, whatever the consequences may be, may be.

You know what, I neglected and I apologize, before we get into the next committee report, to introduce a guest we have. It's the new City Manager from the City of Clifton; Matthew Watkins, who is here to say hello to us. There's nothing wrong, guys.

(Whereupon, Commissioner Kolodziej is present at 10:08)

MR. WATKINS: I appreciate the Chair introducing me. Commissioner Kolodziej and I had a discussion a couple of weeks ago and she encouraged me to come, as much as I wanted to. I

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just want to introduce myself to you and wish you all the best and also most of all, thank you for your cooperation with us in the recent past. You helped us with our water information that ultimately lead to an improvement in our fire

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rating for all the residences of Clifton. we've moved from a three to a two. That saves the residents of Clifton some money, albeit not much, but these days anything is better than nothing.

And I wanted to thank you on behalf of the residents, myself included, as one, for your help and also to offer my assistance in any way I can to the Executive Director and to the Commission individually. And if you should need anything from Clifton, I'm available to you.

And I wish you all the best and thank you again. In the future I'm sure that I will see you around town and be asking and begging for anything else.

PRESIDENT DeVITA: Thank you very much.

MR. WATKINS: I just wanted to say hello and then leave; so.

PRESIDENT DeVITA: We don't want you to -- you got a lot to do.

MR. WATKINS: I keep having disasters. I'm getting a little concerned. I've been here since August, we've had three major storms and I'm really getting a little paranoid here.

COMMISSIONER KOLODZIEJ: Perhaps Mr. Bella

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can give you some guidance on how --

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MR. WATKINS: I've been doing this for 30 years, I'm glad I don't have worry about the water and I'd love to have a tour.

PRESIDENT DEVITA: Thank you very much.

MR. WATKINS: Thank you very much.

PRESIDENT DEVITA: Let's go back to personnel, if I may. I apologize.

You had requested that we table everything. I had brought up, Commissioner Kolodziej, the payroll and I think the thought of the Board is we should table that also.

COMMISSIONER VANNOY: We got it yesterday.

COMMISSIONER KOLODZIEJ: No hurry. No hurry.

PRESIDENT DEVITA: My thought was that there was some involvement and some urgency to it.

MR. WEISS: Our payroll accounts payable person is retiring in December. We will not have overlap if you table this until December, to hire the person.

COMMISSIONER VANNOY: I was told by Jim that Esther could do this. I just found out about it yesterday. We have to follow the policies and procedures.

PRESIDENT DEVITA: You're right. That's

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the policy we set.

So we'll table that.

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MR. AMODIO: Motion by Commissioner Vannoy to table items one and two.

PRESIDENT DeVITA: Why aren't we tabling everything?

COMMISSIONER BAZIAN: My question was, if we know somebody is retiring the end of the year, presumably we've had some warning to get this, why are we just getting this and supposedly --

MR. WEISS: That's an excellent question. Actually, this came to the Board several months ago. The Board gave us permission to go out and advertise and interview people. We had finished the initial interviews last week. I know Jim had been in touch with many of the Commissioners including the personnel committee. They knew this was going on.

COMMISSIONER RODRIGUEZ: He was in touch with --

MR. WEISS: Personnel committee.

COMMISSIONER VANNOY: For interviews only. But I had no idea until yesterday that you actually found someone.

MR. WEISS: Okay. We had over 60 resumes

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that came in. We narrowed them down. We brought five people in and interviewed five people. We brought the top two people in for the second interviews. The final interviews -- the second interviews weren't until this past Friday. So that's when the person who we knew we wanted to

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hire was finalized. We knew we needed to hire somebody quickly. We didn't have the person until this past Friday.

Again, it's your decision, obviously, but my recommendation is that we want to make sure we've got some overlap. We have somebody who's currently doing payroll and accounts payable with 20 years experience in the company who's going to be leaving the end of December. We'd like to have a little bit of overlap so the person coming in can get trained. If this does not get approved till the end of December, we will lose that opportunity.

PRESIDENT DEVITA: Is there a second on the motion?

COMMISSIONER LEVINE: Second.

PRESIDENT DEVITA: Discussion.

I have a question. Why are we not tabling everything?

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COMMISSIONER RODRIGUEZ: Can we go into closed?

COMMISSIONER KOLODZIEJ: If it's a tabling motion, no discussion. Sorry.

PRESIDENT DEVITA: Okay. So the motion is to what?

MR. AMODIO: Table items number one and two on the personnel agenda, which would be promotions and salary adjustment and increase. Is that correct?

COMMISSIONER VANNOY: That's correct.

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MR. AMODIO: On the roll.

(Roll call was taken, all Commissioners present respond in the affirmative, Commissioner Devita responds in the negative)

MR. AMODIO: Motion approved; five yays, one nay, one absent. Table personnel items one and two; promotions and salary adjustment.

PRESIDENT DeVITA: Okay. Finance.

COMMISSIONER VANNOY: wait, we didn't finish with personnel.

PRESIDENT DeVITA: I'm sorry.

COMMISSIONER VANNOY: we have a contract

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negotiation meeting for the 2nd and 20th of December and the people on personnel will be attending that and if something does come up, Commissioner Bazian will step in for one of us just to give you an update.

PRESIDENT DeVITA: Two different dates or two different unions? I saw some kind of e-mail. I don't know if we're doing one on the 2nd and one on the 20th.

COMMISSIONER VANNOY: I don't know either. I just know we're going.

MR. AMODIO: Finance.

COMMISSIONER LEVINE: Reviewed the budget and we're going over some, a little bit longer term plans trying to figure out to come up with a

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plan that we presented maybe save some other money throughout the Commission.

PRESIDENT DeVITA: IT/Security.

COMMISSIONER KOLODZIEJ: Can I just go back to finance?

I think we worked hard and I think that because we had all been so unified on our goals budget wise, that it's really given Administration clear marching orders what to do. At this point in time we're doing very well in coming in at or

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under is what we're shooting for, what our projection was for the rate increases.

There has been a significant decline in the overtime.

COMMISSIONER LEVINE: Eleven percent.

COMMISSIONER KOLODZIEJ: Exactly. And the industry standard is 14 percent. So we're continuing to make great strides. This budget does also include some of the initiatives that we've already approved. We can't include projections or things that we want to do, but as the year goes on we could be saving money every time we put through one of those initiatives.

I think it's important to realize, every time I write it down it hammers home to me, how much of our revenue is dependent on weather and last year was horrendous.

So, hopefully, again, our budget is very conservative. Our budget is based on a lot of past experience. So there's not anything in this

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budget that's completed. It's extremely conservative. As our Chairman says, it's a work in progress. December we will have a vote on it, so any questions, please get back to Administration or anyone on the committee and we

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will make sure we research your questions so that could be incorporated into the December vote.

PRESIDENT DeVITA: A lot of work. Thank you.

MR. AMODIO: Moving on.

IT/Security.

COMMISSIONER KOLODZIEJ: IT/Security; it's a nightmare for Commissioner Vannoy and I. This is where we stand and this is kind of some of our decisions.

I don't know if anybody else has received, but I have received the same proposal from the previous private sector person that we had the last time. There is significant difference in the numbers and in my opinion, and I've asked Yitz to look at those numbers so he can come back to us with that.

Private sector is able to hire retired, trained police officers at a very reduced rate. In my opinion, the Sheriff's proposal is still factoring in the rate that he uses for his regular Sheriff's Officers and Mr. Bella, when you have the discussion with the Sheriff, he should have a separate rate for off duty Sheriff's Officers who

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are hired to do things. If nothing else, he

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should be giving us that rate.

The other issue that really needs to be addressed in both the private and Sheriff is the issue of cars. Well, the Sheriff has addressed in his proposal that we should purchase the cars for his people and at the end of the contract he's going to use that. That's certainly negotiable.

The private sector person has not even mentioned that, so I'm assuming he thinks he could just come in and give people the cars we already have.

So I don't think we're ready to make a decision. My own opinion is, if we're going to go out to the private sector, and I have no problem doing that, if the numbers come back so out of whack, then it should be an open bid. There's a considerable amount of money in this contract and you cannot just, you know, look at one proposal from a private contractor and do that.

So that's kind of where we stand. Joe said in two weeks the Sheriff is sharpening his pencil and those are the two areas that he really can sharpen his pencil on, Joe.

COMMISSIONER VANNOY: We had a conversation and you were going to meet with him.

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MR. BELLA: I did meet with him. He's sending me back a revised proposal, which I

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haven't gotten yet, to take into consideration more, you know, part-timers and that kind of thing. They were decreasing the amount of full-time people. The way I left it was they were going to give us at least two or three different scenarios.

PRESIDENT DeVITA: Idida.

COMMISSIONER RODRIGUEZ: I perused through but I want to congratulate Yitz on the work, too, on the budget. I know something like three or four years, really, really, a lot of work went into it. The finance committee spent a lot of time. Since I've been here I feel this is probably the most productive committee and I think, Yitz, you had a lot to do with it because, you know, you've, basically, with the exception of today, everything you asked for, you know, we've been forthcoming.

I mean, Yitz took time out of your busy schedule to go out and get the certification and that all of that coupled has a lot to do with it. So I want to commend you on really working closely with the finance committee on getting our budget

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back.

PRESIDENT DeVITA: Can I get back to security a second?

COMMISSIONER KOLODZIEJ: Yes.

PRESIDENT DeVITA: I'm a little confused. We've gotten one private sector proposal?

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COMMISSIONER KOLODZIEJ: Right, just totally out of the blue. We had it once and I reported on it and just last week it came back to me in the same form.

PRESIDENT DeVITA: So we have the one private sector, which we really can't consider, can we?

COMMISSIONER KOLODZIEJ: I think, my read on this is that he's just afraid we're going to forget him. It's not. We know what our choices are going to be. And we have, my opinion, three different choices we can make. The numbers are going to speak for themselves. So one more month. And Joe was the good cop. We sent him to the Sheriff, letting the Sheriff know that the Board is not pleased with the numbers that came back. So Joe has the opportunity now to continue to discuss this, to look at it from a realistic stance and Joe has been very good in making

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suggestions also, which he has been doing for two years now, right, Commissioner? So, in my opinion one more month --

PRESIDENT DeVITA: I don't have a problem if we delay a month or two months. But my concern is, should we be going out for proposals?

COMMISSIONER KOLODZIEJ: Well, the interesting thing is if we go out for proposals, we're going to have to take these two proposals that we have and put together an RFP and one of the issues we have to address is the issue of cars

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and how that's going to be done.

So Administration's going to have -- so if, in the meantime -- so we don't waste time. If you want Administration to try to put together an RFP that we may need to go out to in December.

COMMISSIONER LEVINE: Do we own cars now --

PRESIDENT DEVITA: They own the cars. We buy cars, they own them.

COMMISSIONER VANNOY: The Sheriff said he would take them after the contract is over. Why would they take our cars?

PRESIDENT DEVITA: That's what happened now.

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COMMISSIONER RODRIGUEZ: Can I just say?

PRESIDENT DEVITA: That's in the past contract.

COMMISSIONER RODRIGUEZ: That was a deal that was made previously we don't have to honor now.

PRESIDENT DEVITA: If I may?

COMMISSIONER LEVINE: Are those cars still good?

PRESIDENT DEVITA: Wait, wait, wait. In the past contract with the Sheriff, we purchased cars for him and it says Passaic County Sheriff Water Resources or something like that. They're his cars. They're not ours cars.

COMMISSIONER LEVINE: Oh, we purchased

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them for him?

PRESIDENT DeVITA: Yeah, we outfit them. We buy them. It's the Sheriff's cars. That's what we did last time.

COMMISSIONER KOLODZIEJ: I think Mr. President is right. Why don't we direct Administration to put together an RFP based on our needs, because believe me, the in-house committee knows what we need and just in case we can't come to an agreement in December, we'll go out to bid.

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COMMISSIONER LEVINE: Do we need two cars?

PRESIDENT DeVITA: Do we need cars?

COMMISSIONER LEVINE: My question is, the Sheriff has two new cars now, right? Can't he use the cars he has from us already with the new proposal?

PRESIDENT DeVITA: I got to think, truthfully, that's a matter of negotiation.

COMMISSIONER LEVINE: Why would he need new cars?

PRESIDENT DeVITA: That's what he wants. I don't know why he needs them.

COMMISSIONER LEVINE: What happens to the cars, like, the ones that already says Water Resource Unit.

PRESIDENT DeVITA: They're his.

COMMISSIONER LEVINE: Right. I understand. Can't they be used for the new contract is my question?

PRESIDENT DeVITA: I don't know what kind
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of shape they're in and what kind of mileage.

COMMISSIONER LEVINE: That was just my question.

COMMISSIONER VANNOY: Does he use them for just us or he uses them for anything?

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COMMISSIONER LEVINE: Just us.

COMMISSIONER VANNOY: If he uses them for just us, it can't be too many miles.

COMMISSIONER KOLODZIEJ: You're missing the point. Even if we go out to a private contractor, the issue of cars needs to be addressed. Why don't you give your ideas to the person who is going to put together an RFP that we can approve at the next meeting in case we can't come to a decision.

PRESIDENT DEVITA: Can I make this suggestion?

COMMISSIONER KOLODZIEJ: I'm moving that. It makes sense we keep it moving.

COMMISSIONER VANNOY: Second.

PRESIDENT DEVITA: To go out on an RFP for security.

(Commissioner Sanchez is present at 10:23)

COMMISSIONER VANNOY: Then we can get a better idea.

COMMISSIONER KOLODZIEJ: Correct. We're only looking at a proposal.

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MR. AMODIO: So the motion is to put

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together an RFP to be approved at next month's meeting. Is that correct?

COMMISSIONER KOLODZIEJ: Correct.

MR. AMODIO: On the roll.

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

MR. AMODIO: Motion approved.

PRESIDENT DeVITA: Okay.

MR. AMODIO: Moving on.

League of Municipalities.

PRESIDENT DeVITA: Yes. I put this on just so we know what happened down there. Bobby you went? Yitz was there. What happened? What did you accomplish?

MR. WEISS: I was actually going to write up a memo.

PRESIDENT DeVITA: Okay. Fine. You got more certifications?

MR. WEISS: Yes.

COMMISSIONER VANNOY: Me and Jeff will write up something.

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PRESIDENT DeVITA: So you'll prepare something?

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COMMISSIONER VANNOY: One day, yeah.

PRESIDENT DeVITA: Okay. Great. Thank you.

MR. AMODIO: Moving on. We have the Executive Director's report.

MR. BELLA: Okay. Let's go to request to advertise contracts. This is what we do every year. These are contracts that are generally reoccurring over the course of the year that we need for the operation, whatever. We normally do that every year.

COMMISSIONER VANNOY: Could you repeat that because I can't hear because they're talking.

PRESIDENT DeVITA: Joe, is the 90 items that you had listed in your memo, 90 different contracts?

MR. BELLA: Yes.

PRESIDENT DeVITA: That's something we've been doing every year.

MR. BELLA: We do every year. We get it to the Commissioners before we start to bid them. It happened over the course of the year.

PRESIDENT DeVITA: Anybody have any

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questions on that?

MR. BELLA: They're staggered.

COMMISSIONER RODRIGUEZ: I had the memo.

PRESIDENT DeVITA: Anybody? Okay.

MR. AMODIO: Do we have a motion? Are you moving that? Do I have a motion?

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COMMISSIONER KOLODZIEJ: So moved.

MR. AMODIO: Motion by Commissioner
Kolodziej.

Do I have a second?

COMMISSIONER VANNOY: Second.

MR. AMODIO: By Commissioner Vannoy.

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

MR. AMODIO: Commissioner Levine is not in
the room.

MR. AMODIO: Motion approved.

Moving on.

We have requests to advertise RFPs for
Project 11-P-43, "Professional Services-Design and
Construction Phase Services for Water Storage
Improvement Projects-Phase 1."

MR. BELLA: Okay. Here we go. This is

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the one we've all been waiting for.

PRESIDENT DEVITA: Dreading.

MR. BELLA: I just want to give you...

COMMISSIONER KOLODZIEJ: Just for
clarification, this is the result of the mandate
that we have to do?

MR. BELLA: That's correct.

COMMISSIONER RODRIGUEZ: I'm going to
recuse myself.

MR. AMODIO: Let the record show that
Commissioner Rodriguez recused herself.

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PRESIDENT DeVITA: Okay. Joe.

MR. BELLA: I just want to take you through this. This is the Phase 1 Water Storage Improvement Project. We'll go through it.

This is mainly centered around covering our open finished water reservoirs. And this particular phase is really to get us to a point where we can do the other three phases with a little more reliability in the system so that we do not get ourselves in a situation that if, while we're doing one of our reservoirs, the bank goes down because of an electrical problem where we had this last snowstorm, we're going to end up with a disruption of service. One of the things we've

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always stressed is besides the quality of the water, the reliability of the water. So this is a really important part.

PRESIDENT DeVITA: This is for design, correct?

MR. BELLA: This next phase, we're asking from you today is permission to do an RFP for design services of Phase I. And what I want to do is go through what entails Phase I.

COMMISSIONER SANCHEZ: Can I ask a question? Are those our tanks, those little white?

MR. BELLA: They're tanks. It's not a cover. We always say cover. It's a tank.

PRESIDENT DeVITA: It's an encapsulation

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of the water.

MR. BELLA: These particular reservoirs do not lend themselves to being covers.

COMMISSIONER LEVINE: Are they going to need covers?

MR. BELLA: Once you put the tanks there --

PRESIDENT DeVITA: The water will be in tanks.

COMMISSIONER SANCHEZ: what would happen

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with the actual hole?

COMMISSIONER LEVINE: This is instead of doing covers?

MR. BELLA: It will be left for storm water runoff, probably some environmental wetlands kind of stuff, particularly up at Great Notch.

COMMISSIONER SANCHEZ: we still own it?

MR. BELLA: Oh, yeah.

PRESIDENT DeVITA: Joe, if I may? The initial award that we made was not for design.

MR. BELLA: No, that was for --

PRESIDENT DeVITA: The feasibility study.

MR. BELLA: These phases came out of that feasibility study.

PRESIDENT DeVITA: Okay.

MR. BELLA: Okay. which we have get these three reservoirs, there's Levine, which is at the lowest elevation; New Street, which is sort of where most of our grading is, and our Great Notch Reservoir which is really, Great Notch is pure

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storage. There's a big problem. The Great Notch Reservoir comes on line, fills back pressures the whole system just about, and we were able to -- so people, when the plant is down, people don't have any knowledge that the plant is down. There's

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always water. And it's so big, that tremendous amount of storage. We had storage for three or four days.

This phase will entail the Levine Reservoir. The Levine Reservoir gets two tanks, about two and a half million gallons each will be five million gallons of storage. You can see this aerial of pictures right in the middle.

COMMISSIONER SANCHEZ: My question, Joe, is are we going to use this to fill the tank?

MR. BELLA: Yeah. Everything, that's all the plant, the pipes, they're all going to be the same.

PRESIDENT DEVITA: Can I make a suggestion? Why don't we let Joe get through this and then we can get it all at once otherwise we'll be here.

MR. BELLA: Okay. So if you turn to the next page, it says Levine Reservoir Site Plan Design. That's basically the reservoir, a drawing of the reservoir and what the new tanks would look like in there.

The elevation, the water services is going to be about the same. There's very little

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difference there. They're not real big tanks.

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They'll probably be steel tanks.

This is an important part because this system balances the pressure in our, what we call our industrial loop, and provides some storage, but not a tremendous amount. That's a backup to our high pressure system that most of the system is on.

The next page is just a picture of the two tanks as they might be sited somewhere in that area.

And then, and a key part of this is, right now we have very little standby generation passing at the treatment plant. This is really important because when the plant goes down, the power goes off like we have. We were last what, two Sundays ago, we were, that snowstorm the plant was not running for about 24 hours, 22 hours because there was no power.

Under these new circumstances, we can't afford to have the plant down for 24 hours. That's about all the storage we'll have in the system. So we need to have standby generator capacity. Basically, what this is, the way this is designed, which came out of the design report, is that there are two sets of generators. Each

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one, each set has two generators. Either set will have the capacity to supply the plant in its

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totality. Just, you know, we could run the plant at 75 million gallons a day and not worry about, you know, shaving loads and that kind of thing. What that will do is, that increases the reliability of the plant. Because one of the big things for generator sets are, you always have a problem when you need them. No matter how well you maintain them, I've never even seen a gen set that worked a hundred percent reliability. So what we've done is doubled the reliability. Hopefully, we'll always have a hundred percent capacity at the plant. That's really important.

Next page is on our southern system; our system that supplies our largest customers down the Verona line, which is a 24-inch line and the Morris County line. It's very little storage on that system. So when there is a failure, we have to and power, we have to scramble around to try to get that system stabilized and water to that system, to get the existing standby generator that we have, which is a small line, running and pumping water down or else they run out of the water. We don't want to interrupt that because

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there's a lot of revenue. So it's a small tank up in Verona, which is parallel, which is right off of our 24-inch system, the Verona system. That's the picture there, you can see. The third page.

We're part owners of this white tank that's there. We're already half owner of that.

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This new one we'll be a hundred percent.

COMMISSIONER LEVINE: whose property is that?

MR. BELLA: It's Verona's.

They're basically the three parts of Phase I. New tanks at the Levine Reservoir; standby generating capacity at the plant. There will be some electrical work done at the plant because some of the switchgears are pretty old, not pretty old, very old. we'll increase that, increase the reliability. And then there's the Verona tank and the generators, which is really important, the generators.

PRESIDENT DeVITA: Okay. Questions?

COMMISSIONER SANCHEZ: One question. I think I do have a lot of concern and I guess we're limited to what we could say.

PRESIDENT DeVITA: That's the problem.

COMMISSIONER SANCHEZ: But really,

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politics aside, I don't know, are crazy when it comes to -- this idea has more complications than solution. I don't see what they're trying to accomplish by doing this but my feeling is by looking at it, when you're dealing with tank, handmade tank, I mean, they break. Somebody wants to really, there's a possibility of doing something illegal, it's possible to do it anyway. I don't know. I'm just -- I don't have any way that we could have some opinion about it and say, listen, this is a great idea.

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PRESIDENT DeVITA: I don't think any of us disagree with you, but I think our time to object, which was already done, is long gone.

MR. BELLA: Well, first off, it's not reasonable to object to this. I have to say that because you really need to do something. During the storm that we had, the hurricane storm, it just, it's just unbelievable the kind of things you have to deal with. You need to do this. This is really important and I'll tell you why, because you have open reservoirs. They're basically, you know, a big main break out in your system all the time. You need to deal with that and it causes all kinds of water quality problems that we're

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constantly dealing with and constantly, constantly need to deal with these problems that you won't even come in contact with, but they're there and they're problems and we need to deal with it. And fortunately, our staff is good enough and tentative enough that it never has become a real problem. These reservoirs are a problem and they need to be taken care of and taken out of service. It's done all over the country.

PRESIDENT DeVITA: I have a question.

Are we going to have less capacity with these tanks? For example, I'm looking at the reservoir, the Levine Reservoir in the picture and see how big that reservoir is and it's going to be placed in. We're going to have five million

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gallons. What do we have now?

MR. BELLA: What we have now at the Levine Reservoir is about 16 million gallons.

PRESIDENT DEVITA: So obviously it's going to affect our capacity?

MR. BELLA: Absolutely. We're going from maybe three days of storage to --

COMMISSIONER LEVINE: What about giving it out?

MR. BELLA: -- To one day of storage.

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COMMISSIONER LEVINE: Wholesale the water out, pump through the day --

MR. BELLA: No, it's not going to limit any of that. What it's going to do is, it's just going to make your reliability. If you don't put this whole package together, it will decrease your reliability. You'll see more frequent outages and, frankly, when the rates change in the next year or so, you'll see more problems with reliability in the form of possible boiled water, that kind of thing.

It's really important for water quality reasons to do this.

Now, one of things, when you talk about reliability, one of the things that we've done is built in an additional layer of reliability and that reliability is the standby generators. So you'll have storage and then on top of that you'll have standby generators.

And that would hopefully, not hopefully,
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we know that it will increase our reliability and we think it will bring us to the point where we are today, by adding those two things in it, it's the least cost. This was a blend that we could have had -- we could have recommended putting a

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hundred million gallons of storage or 150 million gallons of storage like we have at the Great Notch now into service, but the cost just started to grow way too big.

So the generation will add a layer of reliability at a much lower cost and that's the important --

PRESIDENT DEVITA: So we'll have less capacity and better reliability.

MR. BELLA: We'll have, let's call it the same reliability.

COMMISSIONER SANCHEZ: Can I say? Are we taking into consideration future uses, like, you know, this being something that is going to last 50 years, 100 years?

MR. BELLA: Sure.

COMMISSIONER SANCHEZ: Are we looking beyond?

MR. BELLA: Sure. We look --

COMMISSIONER SANCHEZ: We're going to knock it down and build something bigger?

MR. BELLA: We look at that. We always look way out into the future.

The tanks will be concrete tanks which

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probably have a life expectancy of 50 to 75 years.

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The steel tanks have less of a life expectancy. But in that particular location, steel tanks are much more manageable to construct. So it will probably be less of a cost. We'll see when we go out to bid. We'll have to give them the option. But the bidding will actually do it.

The other thing we did, you'll notice there is not one big tank. There's always two tanks. So you can take one tank out for maintenance and one tank in operation. During the wintertime, you have one tank out and do maintenance when demands are low. So it's an important, you know, it's an important consideration is the reliability and that goes all the way back to all these little details, like having two tanks or layering the standby generation capacity.

PRESIDENT DeVITA: So we don't have any choice?

MR. BELLA: Well, look, from a regulatory standpoint, we have no choice.

PRESIDENT DeVITA: Right.

MR. BELLA: But to me, the more important thing is, you know, my recommendation, the Commission's reputation is far more important

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here. This is something that we have to do. These things were conceived 120 years ago and they

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just don't make water like that anymore. You have to enclose your supply and we'll, you know --

COMMISSIONER SANCHEZ: Can I say one more thing? Obviously, this is going to have a great impact.

COMMISSIONER KOLODZIEJ: Capital and bonding, it's already in our budget.

COMMISSIONER SANCHEZ: Sooner or later we're going to have to pay for it.

COMMISSIONER KOLODZIEJ: But we're still staying within the percentage that that study you gave us, that's why they're phasing in this mandated project. So that in the next five years, you know, we've already factored that into what we already approved that rate increase --

COMMISSIONER SANCHEZ: How do we do that if we don't have a definite number yet?

COMMISSIONER KOLODZIEJ: Because they have a pretty good idea of what that number should be. That's why we put that number in the budget.

MR. BELLA: We have it in the budget. Frankly, we've been setting our budget for two years already with this in mind and, you know, the

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rate increases and that kind of thing. We've already factored that into our, and it's really going to be as radical a change in the way we do business as it was 120 years ago when they first started treating water. So it's really important.

One of the big issues all this is going to

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be, and I think probably the two biggest is the public relations is one of the biggest issues, dealing with having to get these things installed, where they're sited and all the local problems. But it's something we actually have to do.

The other thing I'd like to point out is, by phasing it the way we are, the impacts are going to be a little -- be more spread out. The other issue, besides the rate impacts by spreading it out, is by doing this Phase I, by doing it in three phases, we're breaking it down into more manageable chunks and trying to get and one of the reasons I started really pushing to do this is I want to take advantage of the bid has never been better than this, at least in my experience. Many contracts are coming in much lower than we had anticipated. So we need to have -- I think it's good for us at this time to move forward as fast as possible.

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COMMISSIONER LEVINE: Let me ask you a question. Are we treating water around the reservoir, is that what we're going to do?

MR. BELLA: Well, it's a combination. It's hard to say exactly at this stage, it depends. But once these tanks go in, the section that they're in will definitely not be water. You're not allowed to have a portable source connected to a non-portable.

COMMISSIONER LEVINE: Are these just for storage or are we going to make drinking water --

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MR. BELLA: What will happen here is the water will be treated at the plant, will flow through our transmission system, and then your demand is going up and down and it might be 20 percent during the course of the day. You don't want your plant to be going up 20 percent, down 20 percent. The plants don't work well that way. Filter plants don't work. Basically your plant's going this way and your demand's going like this and this peak on the top above your plant average, you want that portion to come out of storage. Then it drops down and then you refill it so that --

COMMISSIONER LEVINE: I'm trying to ask.

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Is this all for storage basically? If we're demanding whatever, ten million, what is it, a hundred million, ten million? What's the maximum of the plant?

MR. BELLA: Our plant is, the max we're allowed to take out of the river is 75 million gallons. The plant is designed for 100.

COMMISSIONER LEVINE: Right. So will our plant be designed for less because we're holding less is what I'm getting at or is this just for storage and nothing else to meet your demands?

MR. BELLA: Just for storage.

COMMISSIONER LEVINE: Just for storage if we close down.

MR. BELLA: Right. For two reasons, one

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is to meet your in the day peeks and the other one is to meet your emergency.

COMMISSIONER LEVINE: This isn't the regular water that people are going to drink?

MR. BELLA: Water will be coming in and out all the time. The water will always be moving.

COMMISSIONER LEVINE: How is that going to decrease the total capacity of the --

MR. BELLA: It's going to decrease. But

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what we're saying is, by having the plant and getting the plant at a hundred percent of its capability reliability and always having there, which we do, we do a very good job at that, is to have that plant with the standby generators, to have the ability to --

COMMISSIONER LEVINE: I guess I'm not --

PRESIDENT DEVITA: The cost of the generators.

COMMISSIONER LEVINE: Forget about close. Forget about shutdown. I'm just talking about just regular operation. Is it going to lower capacity? Forget about closedown?

PRESIDENT DEVITA: No, no. It's for storage --

COMMISSIONER LEVINE: Or just storage?

PRESIDENT DEVITA: -- In case we need it. We still get water the same way we're doing it now, correct, from the river?

MR. BELLA: We're treating the water,
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exactly.

PRESIDENT DeVITA: Same treatment at the plant if there's something that happens and we need the tanks that's --

COMMISSIONER LEVINE: That's what I'm

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asking, just if we need them.

PRESIDENT DeVITA: Correct.

COMMISSIONER LEVINE: So instead of having a three day supply, we'll have one day supply. Doesn't it come from the reservoir and be treated after the water --

MR. BELLA: No, no, no. This is the water, after treatment process, it goes out into the system. Right now it goes into the lakes and then it goes back into the system.

PRESIDENT DeVITA: So the treated water, instead of being in the open reservoir, the treated water will be in the tank.

COMMISSIONER LEVINE: If we have less treated water in the reservoir, wouldn't that be less to wholesale down to other customers to produce?

MR. BELLA: No, no. Remember, this is a daily demand is what you're looking at. This is your standby capacity. It's like having money in the bank kind of thing. So you always have, if you factor in the standby generator and you factor in what's in the tanks, you will now have enough money in the bank.

reserves, you're saying --

MR. BELLA: Correct, reserves.

PRESIDENT DeVITA: Correct.

COMMISSIONER LEVINE: I'll ask Joe after.

PRESIDENT DeVITA: Yeah, Joe and I discussed this.

Any other questions? You want to move.

COMMISSIONER BAZIAN: I have a nasty question.

PRESIDENT DeVITA: I wondered why it was so quiet.

COMMISSIONER BAZIAN: You mentioned that we're going to get a new power source, power backup to increase availability. Is power the only plant failure that we have to worry about?

MR. BELLA: No, there's others. And it has to do with switchgear, which I've mentioned. We're going to change some of the switchgear and the way the power flows through the plant. That's probably the single biggest concern that we have. And that is probably, that one, other than the standby generator, that's probably the single biggest point of concern, point of failure is in the actual switchgear and the electrical and the electrical is typically -- the other points of

failure are in the process itself, but we have a really robust process. In other words, the

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ability to treat the water. Now, if you'll remember during the hurricane, that was the worst condition in my time here in terms of treating the water in the plant. We did it without even a blink of an eye. So the robustness of the process is there and it's already been taken into consideration and it's already taken into the reliability issue.

COMMISSIONER BAZIAN: So what happens to the SCADA system if -- the SCADA system is the computer system that runs the plant.

MR. BELLA: The plant can be run manually and it is a concern. But generally, and we've had places where they've been, where that has shut the plant down or there's been times and that's what the storage -- if it really got so bad that it was completely out, we can run the plant. Plus there's another way of backing up those kind of shorter term problems is we have interconnections with other utilities which can supply under normal conditions, average conditions supply a substantial amount of time and water.

And the SCADA system, by the way, is one

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of the things that we're going to talk about a little later on. We're almost there and complete design and real design with the SCADA system which has to get done before we get there, so we have time to work out all the bugs.

COMMISSIONER BAZIAN: We're talking about

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placing, by my count, approximately, we'll have approximately eight million gallons of storage after Phase I, we'll have three million in Verona; five million in --

MR. BELLA: Enclosed.

COMMISSIONER BAZIAN: Enclosed.

But my understanding is that once we get those tanks in place, especially Levine, we're not using the rest of the Levine. How much storage are we going to have in Great Notch in Phase 3 and how much are we planning for New Street in Phase 2?

MR. DUPREY: It's two 15 million gallon tanks at New Street for a total of 30 million gallons and two 20 million gallon tanks at Great Notch for a total of 40 million gallons.

COMMISSIONER BAZIAN: That gives a total storage of 78 million gallons. Okay.

Our average flows, according to your

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report for the month of October, was 84 million gallons. So we're going to have less than a day's water in storage.

MR. BELLA: No, because the interconnection with North Jersey, we could flow that by gravity in the system also; so.

COMMISSIONER SANCHEZ: Speaking about North Jersey, weren't we going to --

MR. BELLA: They don't have open finished water reservoirs. They have one that they eliminated years ago.

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COMMISSIONER SANCHEZ: Doesn't North Jersey have the big --

PRESIDENT DeVITA: But it's not finished.

MR. BELLA: It's not finished.

COMMISSIONER SANCHEZ: Okay. Now I got you.

COMMISSIONER BAZIAN: One of the concerns I have with tanks in general is tanks make physical structures are much more susceptible to sabotage. From a security standpoint, you can't sabotage a reservoir, but you can sabotage a tank.

MR. BELLA: Well, personally, I think tanks are much more secure and the State believes that they're much more secure. Everybody does.

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And there's a reason, you got an open surface of water. You don't even -- maybe we could talk about the security in closed session a little bit.

COMMISSIONER BAZIAN: Fair enough. Fair enough.

What about potential environmental impact? We're talking about concrete over there --

MR. BELLA: That's going to be probably the number one concern. You know what, we were down at the State, we've been talking to the State for five years about this. The one issue always comes up and even the people that start drinking water, we need to, the real concern is not the water quality issue, they know they can deal with that. It's the cultural and the, you know,

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environmental impact and that kind of thing. So that's all in the professional services. That's going to be the responsibility to deal with that for us to come up with the right reports.

COMMISSIONER BAZIAN: We didn't discuss -- we didn't go over environmental impact, coming up with the tanks as part of the feasibility study.

PRESIDENT DEVITA: We did. We did.

MR. BELLA: We talked about it, but we didn't actually do it for each individual. We

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wrote that out separately because each one of them is going to be different. Every one of those are going to be different and the design may change from the recommendation. So then we'll know what better --

COMMISSIONER BAZIAN: The other concern I have is, just what we're talking about here is I look at the picture of the Levine Reservoir and I see a beautiful lake.

MR. BELLA: That's the Great Notch.

COMMISSIONER BAZIAN: Either way, I was looking over here, this aerial picture of the Stanley Levine Reservoir, it looks quite beautiful and we're just going to replace it with two big ugly tanks.

MR. BELLA: Yup.

COMMISSIONER BAZIAN: That's going to have an effect on the local area, won't it?

MR. BELLA: That's what we mean by the cultural public relations.

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COMMISSIONER BAZIAN: That's what you mean by cultural.

MR. BELLA: There are ways of trying to screen them and putting, you know, so there's -- it's, again...

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COMMISSIONER BAZIAN: Do they have to be above ground?

MR. BELLA: It's enormously expensive. You have to remember something, these are on absolutely solid lot and the other problem is the physics of the system. You have to have a certain elevation. You can't overcome this to keep the pressure in the whole system. So half the tank has to be above grade line.

PRESIDENT DEVITA: If you sink the tank, you lose.

MR. BELLA: Right, right.

COMMISSIONER BAZIAN: You have an anticipated cost for Phase 1 of \$34 million. How confident are you with those numbers?

MR. BELLA: Jim can explain.

MR. DUPREY: The consultant during the feasibility study spent a great deal of time and, of course, as the design evolves from conceptual, from feasibility, you know, alternative to conceptual design which it did and then onto real, the final design, the cost numbers get more focused in. The numbers that they presented are the best that they came up

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utilizing the conceptual design and there's a

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lot of factors that provide that. But we believe that that is the correct magnitude of the number. It's a number that we should budget based on the consultant's recommendations and these numbers may be subject to change a little bit as time goes on and for factors maybe many of which could be beyond our control, some requirements, regulatory, maybe might be added in, things like that. But right now we believe those numbers are accurate and should be utilized for budget.

COMMISSIONER BAZIAN: Final question. The schedule that you have, you have Phase I schedule to be complete by 2015, if I'm reading the schedule correctly, how does that jive with regulatory requirements, especially considering there's a Phase 2 and Phase 3 involved? So we're looking to going out to sometime 2020 till we're done?

MR. BELLA: We're ahead of schedule. We're still waiting for the State to come back to us. We're pushing this first phase even before they're ready. So I'm confident that we'll be ahead of the game and we'll be able to match the future schedule to what we are.

COMMISSIONER BAZIAN: Thank you.

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COMMISSIONER KOLODZIEJ: If I may? I think the last piece, we kind of glossed over was
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the public relations. I think it's important to keep reinforcing that this is a mandate. B, this organization is being very proactive. We're ahead of schedule and at some point in time, Joe, when, like you say, Commissioner, the landscape is going to change, because now you have this beauty and now you're going to change to this mandated ugliness. You may need help with the PR. You're going to have to come back to us.

Is there any local permitting that's going to be involved for these communities that are impacted? Because I think it's important from the side of public relations to have, you know, hearings, community hearings, so people are aware of the situation. So just keep us abreast of what you need to help us when we got to that point.

MR. BELLA: I appreciate that. That's going to be --

COMMISSIONER KOLODZIEJ: Oh, yeah. Oh, yeah.

MR. AMODIO: Any further questions? Any further discussion?

COMMISSIONER BAZIAN: I'm sorry, one last

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question.

After we're done with the covered reservoirs, the Beatties Dam, does that go out of use --

MR. BELLA: We'll talk about that in closed session. We're still --

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COMMISSIONER BAZIAN: Okay.

MR. AMODIO: Any further discussion?

Hearing none, do i have a motion.

COMMISSIONER KOLODZIEJ: So moved.

MR. AMODIO: Motion by Commissioner
Kolodziej.

Is there a second?

COMMISSIONER VANNOY: Second.

MR. AMODIO: By Commissioner Vannoy.

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

PRESIDENT DeVITA: Motion approved.

MR. AMODIO: Availability of the grant
monies to assist PVWC.

MR. BELLA: I just want to give --

MR. AMODIO: Can someone please get
Commissioner Rodriguez.

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MR. BELLA: This is just the a summary of
the work we did. You all know about the work we
did on the 30-inch line. I just wanted to give
you a little summary.

Twenty-four valves were put on this
system. Thirty inches are a really important part
of our distribution system and this is a
rehabilitation of all of the valves that control
that and control the water that moves in from that
30-inch from our, basically, our New Street
grading and down into this section of town. It

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supplies a lot of -- that's really important. And our people did a really good job. They managed the contract. So many specialized issues here and, again, this is Phase I of three phases. Next two phases will be completed in the spring. That went very well and that's a really important piece.

Now, the other thing I wanted to talk to you about today is the beginning of Phase I of rehabilitation on Van Houten Street in Clifton.

PRESIDENT DEVITA: Street?

COMMISSIONER KOLODZIEJ: Avenue.

MR. BELLA: I'm sorry, Street in Paterson. The first phase of this is going to be putting a

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24-inch valve in the 24-inch line that runs down Van Houten. That will give us control so next fall and the following spring when we complete probably either three or four phases of rehabilitation, but this is going to be -- this phase will be done next Tuesday. It will start, probably the main will shutdown from Tuesday till about maybe Thursday of next week. This will cause dirty water. We had a little bit and did have some low pressure, this will most certainly cause it. We've been calling up people and the hospital, we've been in touch with. So we're letting them know. The ads will be in the newspaper. I think Saturday, Sunday, and Monday of this week coming up. And not all these areas

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are going to be heavily affected. There are going to be other areas more heavily affected.

For instance, when we had that main break right off Van Houten by the parking garage there last summer, it caused dirty water. It will be similar to that. Similar to what that did.

But this is real important, because that 24-inch line is also as important as the 30-inch over here. There are two lines that come down and hits on the main trunks and bring water in from --

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COMMISSIONER RODRIGUEZ: Can you? I'm sorry, Joe. This is where the blue is or, that's the river?

MR. BELLA: That's the river.

COMMISSIONER RODRIGUEZ: Where is it shaded?

MR. BELLA: The shaded area is the area where we expect that will be some impacts.

COMMISSIONER RODRIGUEZ: Oh.

PRESIDENT DEVITA: That whole area.

COMMISSIONER RODRIGUEZ: That's me. Thank you for telling me.

MR. BELLA: That's most of the Paterson.

COMMISSIONER VANNOY: Where's Garrett Mountain? I already have dirty water. I already have dirty water.

COMMISSIONER RODRIGUEZ: I'm sorry. I'm glad I asked. Now I know.

COMMISSIONER BAZIAN: May I suggest you complain to the water company. Maybe you know a

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Commissioner.

How long do you propose the problems?

COMMISSIONER RODRIGUEZ: This is a very huge area.

PRESIDENT DEVITA: This is a key piece,

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you got no choice.

COMMISSIONER RODRIGUEZ: I know.

MR. BELLA: Again, this is the beginning of probably three or four phases. We're going to complete the 30 all the way out to Van Houten Street and then when that's done we're going to move over to Van Houten Avenue. So the valves will be completely rehabilitated. And then as soon as that's done in the spring, we're going to move over to the Van Houten Street, Paterson and continue to work. This valve will allow us to control that 24-inch, which right now there's no operable valves. The valves are old. Those valves, believe it or not, they are 120 years old. They need to be replaced.

COMMISSIONER BAZIAN: Do you remember when they were installed?

MR. BELLA: I feel like it.

PRESIDENT DEVITA: My office is Clifton Avenue near Main and they were working there forever. They did a good job.

MR. BELLA: They did.

PRESIDENT DEVITA: They interfered as least as possible.

say --

MR. BELLA: well, I'll tell you, the 30-inch really, its impact is most felt in the Botany section in particular and going down Main Street because it comes right into 20. So it's important to get that because one of the reasons why we had -- we're running the Botany pump station, which is a fairly big pump station, almost continuously because the water can't get down that 30 because the old valves open, half open, that kind of thing. What this is going to do is going to allow us to keep more reliable supply of water into Passaic and the Botany pump station will probably run a lot less, save us a lot of money in terms of power. So this really has a big impact, not just on Clifton but in Passaic. Just happens to be and we're going to be doing it in the spring.

All right.

COMMISSIONER KOLODZIEJ: You'll be plenty busy.

MR. BELLA: That's the way we like it.

PRESIDENT DeVITA: What else, Joe?

MR. AMODIO: You got available grant monies, Joe.

MR. BELLA: Jim will talk about that.

MR. DUPREY: Yeah, in a previously DEP
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mandated formal inspection of the New Street Dam, one of the requirements was to do a detailed structural analysis in the dam. And the analysis indicated that the dam was sound in all conditions with one exception, that being seismic parallel to the base of the dam.

COMMISSIONER BAZIAN: Meaning an earthquake. Worried about an earthquake.

MR. DUPREY: Yes. Worried about an earthquake, parallel to the base of the dam and they have already --

PRESIDENT DEVITA: We had one.

MR. DUPREY: So what we did was we had a previous approved contract for professional services that the Board had approved last year for these types of issues for the professional services related to it. We had available monies in that so we're just notifying you that we're going to utilize that to have the professional provide that design. That will also give us a construction cost. At the same time, we contacted the DEP and said, hey, you got to help us out with some grant monies, you know, in these difficult

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times. We have to go forward with the project regardless. And they said, well, we can get you a 50 percent matching grant up to \$290,000 and we would anticipate in the construction cost of this and also the professional services, 50 percent portion of that will also be eligible for this

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grant.

So we would anticipate utilizing the entire amount of the grant. So we would be spending substantially more than that.

COMMISSIONER RODRIGUEZ: We have to match it, right?

MR. DUPREY: Yeah, but up to 290,000. So if it's more than 290,000 times two, the additional will be on us and it's regulatory requirements. So, we really --

COMMISSIONER RODRIGUEZ: What are you estimating the total cost?

MR. DUPREY: The total cost of the actual construction, very roughly, could approach a million dollars.

COMMISSIONER RODRIGUEZ: And that includes the soft costs?

MR. DUPREY: Well, actually, a million dollars. You could consider soft costs were

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60,000, 70. That's already previously set aside.

COMMISSIONER RODRIGUEZ: Incurred. Yeah, that's what you're saying. We have the money for the soft costs and then the construction.

MR. DUPREY: Although we do get 50 percent grant reimbursement on that.

COMMISSIONER RODRIGUEZ: As well.

PRESIDENT DeVITA: Do you need any action from us or no?

MR. DUPREY: Well, just to advise that this is going to go forward. It's really

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informational.

COMMISSIONER RODRIGUEZ: I think it's a good idea.

PRESIDENT DeVITA: Okay. Thank you.

COMMISSIONER BAZIAN: One question, if I may, your memo talks about Project 11-P-43 as a contract that we did last year. Didn't we just agree to an RFP on 11-P-43?

MR. DUPREY: 11-P-43 for the Regulatory Compliance PVWC Dams, those run until, let's say May.

COMMISSIONER BAZIAN: We just approved -- do we have two projects named 11-P-43.

MR. DUPREY: Not to my knowledge.

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COMMISSIONER BAZIAN: Kindly review what we just voted on.

PRESIDENT DeVITA: The previous one also says the same number.

MR. DUPREY: My apologies, this should be 12-P-43 because this -- yeah, my apologies. This should be 12. The design of the Phase 1 should be 12-P-43. That will be occurring in the New Year.

PRESIDENT DeVITA: That's for the storage?

MR. DUPREY: Yeah. That should be 12-P-43.

PRESIDENT DeVITA: Thank you, Menachem.

COMMISSIONER BAZIAN: Do we need to amend our prior motion? The prior motion technically mentioned 11-P-43 --

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PRESIDENT DeVITA: Did you mention --

MR. AMODIO: There was no vote on it.

PRESIDENT DeVITA: The previous one should have been 12. It's referred to on the agenda as 11.

MR. AMODIO: Oh, I'm sorry.

COMMISSIONER KOLODZIEJ: Just to play it safe, let me amend the motion, 12-P-43.

MR. AMODIO: Let the record show.

COMMISSIONER KOLODZIEJ: I'm moving

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12-P-43 which is the Phase 1.

PRESIDENT DeVITA: Do we need a new vote? The previous vote was amended from 11-P-43 to 12-P-43.

MR. AMODIO: Thank you.

Next will be Lyndhurst.

COMMISSIONER KOLODZIEJ: Closed session.

MR. AMODIO: we'll move that for closed session.

Any further questions for the Executive Director? Hearing none, moving onto Controller's Report.

MR. WEISS: Cash on hand is 14.1 million.

Accounts receivable are at 12.4 million. Our 30 days less accounts receivable are at 11.8 million, which is approximately 95 percent.

Accounts payable are at 3.4 million.

You heard from the finance committee as far as the status of our budget. Budget's moving along. We did take a very conservative approach

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in terms of putting those numbers together. We want to stay within the parameters that we had established last year. We want to make sure that the rate increase we projected for this coming year will be those numbers, no more than those

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numbers, I should say. In many cases when we had our department heads create their budget items, rather than just start from last year's figures, we're employing as much as we can at zero based budgeting concept which means they're justifying all numbers, not based on what they spent on prior but what they expect to be spending on the current year. And I think that's pretty much it. We'll have it finalized during this month and we'll have it on the agenda for December for approval.

PRESIDENT DEVITA: All right. Thank you.

MR. AMODIO: Any questions?

Hearing none, can I have a motion to go into closed session?

COMMISSIONER KOLODZIEJ: So moved.

MR. AMODIO: Motion by Commissioner Kolodziej.

Do I have a second?

COMMISSIONER SANCHEZ: Second.

MR. AMODIO: By Commissioner Sanchez.

WHEREAS, the Open Public Meetings Act permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, the public body is of the opinion

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that such circumstances presently exist;

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NOW, THEREFORE, BE IT RESOLVED, by the
Commissioners of 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,
Contracts, Negotiations, Security, and Law,
Summary/Aging Reports; Sheriffs Agreement;
Filters;.

Under Personnel, New Hires: Miguel A.
Garcia and Gary N. Robinson, Laborers. And
Lyndhurst Selection of PVWC under Administration,
and any other matter as may be discussed in
camera.

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

3. This Resolution shall take effect
immediately.

Second by Commissioner Sanchez.

On the roll.

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

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MR. AMODIO: Okay. Gentlemen, if you please open the door.

We'll resume open session.

On the roll.

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

MR. AMODIO: Time is 11:46 a.m.

You have a quorum.

PRESIDENT DeVITA: Can we get something to scramble all telephone service?

MR. AMODIO: We'll move on.

Consent agenda, we have the minutes of Passaic Valley Water Commission in camera session and regular public meeting of October 19th, 2011.

Motion.

COMMISSIONER KOLODZIEJ: So moved.

MR. AMODIO: By Commissioner Kolodziej.

Do I have a second?

COMMISSIONER SANCHEZ: Second.

(Roll call was taken, all Commissioners

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present respond in the affirmative)

MR. AMODIO: Next. Does the Chair accept, receive, and file miscellaneous purchase orders placed by Linda Beckering, Director of Purchasing, October 17th, 2011 through November 13th, 2011.

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PRESIDENT DeVITA: Yes.

MR. AMODIO: Next. Move on for Requests
For Action.

We have Contract #09-B-31, a one year
extension, "Printing and Mailing Services" with
current contractor, Matrix Imaging of Sanborn, New
York, in the amount of not to exceed \$122,942.70.

Discussion?

COMMISSIONER SANCHEZ: That's what?

MR. AMODIO: This is extension of Contract
#09-B-31.

COMMISSIONER SANCHEZ: Oh, yeah. So move.

COMMISSIONER KOLODZIEJ: Second.

MR. AMODIO: Move by Commissioner Sanchez.
Second by Commissioner Kolodziej.

On the roll.

COMMISSIONER BAZIAN: I actually had a
question. Why are we extending a one year
contract and not putting out to bid?

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MR. DUPREY: Based on the previous bids
that were open in 2009, we received three bids,
one of which was material nonconforming. Of the
remaining two bids, this bidder was actually
52 percent lower than the other bidder. So based
on those results and the fact that they didn't
want to do a two-year extension, they were only
willing to do a one-year extension, we negotiated
to a zero percent increase. So we felt it was in
the Commission's best interest to do it this way.

COMMISSIONER BAZIAN: And we use this for?
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MR. BELLA: Bills and any public notices we have to send out.

COMMISSIONER BAZIAN: Is this a fixed price contract or draw down contract?

MR. DUPREY: This is a not-to-exceed.

COMMISSIONER BAZIAN: So if we went to E-Billing, which is something that would be --

MR. DUPREY: Yes.

COMMISSIONER BAZIAN: I'll vote yes.

MR. AMODIO: Thank you, Commissioner Bazian.

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

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MR. AMODIO: Approved.

Commissioner Levine, printing and mailing, one year?

COMMISSIONER LEVINE: Yes.

MR. AMODIO: Moving on.

Contract #09-B-32, two-year Extension for "Tank Integrity Testing" with current contractor, TTI Environmental Incorporated of Moorestown, New Jersey in the amount not-to-exceed \$161,200.

Discussion?

Hearing none, do I have a motion?

COMMISSIONER KOLODZIEJ: So moved.

COMMISSIONER SANCHEZ: Second.

MR. AMODIO: Motion by Commissioner

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kolodziej.

Second by Commissioner Sanchez.

MR. AMODIO: On the roll.

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

MR. AMODIO: Motion approved.

Next, Contract #11-B-39, "Repair of the
Morris County Connection Pump at the Little Falls

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Treatment Plant," recommendation to award a
six-month contract to Longo Electrical Mechanical,
Incorporated of Wharton, New Jersey in the amount
of \$149,610.

Discussion?

Hearing none, motion?

COMMISSIONER KOLODZIEJ: So moved.

MR. AMODIO: By Commissioner Kolodziej.

COMMISSIONER VANNOY: Second.

MR. AMODIO: By Commissioner Vannoy.

On the roll.

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

MR. AMODIO: Motion approved.

Thank you.

Next, moving along to Resolutions.

Resolution Authorizing the Shared Services
Agreement with the City of Passaic for Fire
Hydrant Testing and Inspection Services of the

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Water Distribution System in the amount of \$69,000 per year for a five-year period.

COMMISSIONER SANCHEZ: So move.

MR. AMODIO: Discussion?

Motion by Commissioner Sanchez.

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Second by Commissioner Bazian.

COMMISSIONER BAZIAN: Sorry, quick question. How is that number --

MR. AMODIO: Sixty-nine thousand per year per hydrant.

COMMISSIONER KOLODZIEJ: Set amount.

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

MR. AMODIO: Motion approved.

Thank you.

Moving along, we have a Resolution Authorizing Shared Services Agreement with the City of Clifton for Fire Hydrant Testing and Inspection Services of the Water Distribution System in the amount of \$163,500 per year for a five-year period.

COMMISSIONER VANNOY: So moved.

COMMISSIONER KOLODZIEJ: Second.

MR. AMODIO: Move by Commissioner Vannoy.

Second by Commissioner Kolodziej.

On the roll.

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(Roll call was taken, all Commissioners

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present respond in the affirmative)

MR. AMODIO: Thank you very much.

Next we have Resolution Authorizing Shared Services Agreement with USGS to Provide Continuous Monitoring for Total Chlorophyll-a Four Classes of Algae and Turbidity at the Passaic River Below Two Bridges for the two year period from October 1st, 2011 through September 30th, 2013 in the amount of \$68,720.

Any discussion?

Hearing none, do I have a motion?

COMMISSIONER KOLODZIEJ: Move it.

COMMISSIONER SANCHEZ: Second.

MR. AMODIO: By Commissioner Kolodziej.

Second by Commissioner Sanchez.

On the roll.

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

MR. AMODIO: Motion approved.

Thank you very much.

I passed around a Resolution for you to sign. It was a Resolution on behalf of Passaic

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Valley Water Commission acknowledging the retirement of Nick Cirillo, Water Repairer,
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retired effective November 1st, 2011, having served the Passaic Valley Water Commission for a period of 29 years three months.

Thank you.

Moving along, we have New Business. Summary of Disbursements & Payrolls through November 19th, 2011 in the amount of \$8,086,252.57.

Does the Treasurer find them in order?

COMMISSIONER LEVINE: Yes.

MR. AMODIO: Thank you.

would you make the motion?

COMMISSIONER LEVINE: I make a motion to approve all the Summary of Disbursements.

MR. AMODIO: Thank you very much.

Motion by Commissioner Levine.

Second by --

COMMISSIONER VANNOY: Second.

MR. AMODIO: By Commissioner Vannoy.

On the roll.

COMMISSIONER SANCHEZ: I have to abstain on Montana.

COMMISSIONER BAZIAN: I have to abstain on

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Dell.

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

PRESIDENT DeVITA: I have abstain on

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Rachles Michele.

MR. AMODIO: Next we have recommendation from closed session. We have two new hires; Miguel A. Garcia and Gary N. Robinson, Laborers/TA with a Proposed Salary of \$30,000 and a Proposed Range of \$16,315 to \$54,213.

Do I have a motion?

COMMISSIONER KOLODZIEJ: So moved.

MR. AMODIO: By Commissioner Kolodziej.

COMMISSIONER VANNOY: Second.

MR. AMODIO: Second by Commissioner Vannoy.

On the roll.

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

MR. AMODIO: I have nothing further.

COMMISSIONER BAZIAN: Mr. President, there

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were two items that we discussed last month, one dealt with policies for people going to conferences.

COMMISSIONER KOLODZIEJ: Yes.

COMMISSIONER BAZIAN: And the other one dealt with the sale of surplus equipment. We had discussed Ebay. I was wondering if there was any updates on those two issues?

MR. BELLA: The sale issues were, Linda is working on putting that together now.

PRESIDENT DeVITA: I believe with the
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conferences with the League of Municipalities, Yitz mentioned before he was going to prepare something for us in writing. And Bob said he was going to prepare something; he and Jeff.

COMMISSIONER LEVINE: I actually could --

COMMISSIONER VANNOY: Put it in writing.

PRESIDENT DeVITA: I don't know who else went to the League of Municipalities.

COMMISSIONER KOLODZIEJ: From the stance of policy, we're trying to get what did your municipality do. Because Clifton is very conservative. Our people, even department heads, now have to pay their own admission. Clifton doesn't do that anymore. One year ago they did

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that. Now they don't do it anymore so I'd like to know what your City does with employees and council people going down to the convention.

COMMISSIONER VANNOY: They pay.

PRESIDENT DeVITA: Who pays? The City?

COMMISSIONER VANNOY: The City.

PRESIDENT DeVITA: You should get overtime, too.

COMMISSIONER KOLODZIEJ: We're working on the report.

PRESIDENT DeVITA: Joe, how about we get that on the next meeting, the Auction of the MUA? When's our next meeting?

MR. AMODIO: Next meeting is scheduled for December 21st at 9:30 a.m.

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PRESIDENT DeVITA: I would like to wish everyone a Happy Thanksgiving.

COMMISSIONER KOLODZIEJ: Right back at you.

MR. AMODIO: Is there a motion to adjourn?

COMMISSIONER BAZIAN: So move.

COMMISSIONER KOLODZIEJ: Second.

MR. AMODIO: On the roll.

(Roll call was taken, all Commissioners

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present respond in the affirmative)

MR. AMODIO: Meeting adjourned.

The time is 11:48.

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