

## PASSAIC VALLEY WATER COMMISSION MEETING OF

NOVEMBER 25, 2014

(OPEN SESSION)

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

GLORIA KOLODZIEJ, President

JEFFREY LEVINE, Vice President

MENACHEM BAZIAN, Treasurer

CHRYSTAL A. CLEAVES, Secretary

THOMAS P. DeVITA

RIGO SANCHEZ

RUSSELL GRADDY

## A L S O        P R E S E N T :

JOSEPH A. BELLA, Executive Director

GEORGE T. HANLEY, Counsel

JAMES G. DUPREY, Director of Engineering

JAMES J. GALLAGHER, Personnel Director

YITZ WEISS, Comptroller

LOUIS AMODIO, Administrative Secretary

1                   PRESIDENT KOLODZIEJ: All right. I'm  
2 going to call this meeting to order. We certainly  
3 have a quorum.

4  
5                   (Roll call was taken, all Commissioners  
6 respond in the affirmative)

7  
8                   MR. AMODIO: The time is 12:05 p.m.

9                   You have a quorum.

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

18                  Will you please rise.

19                  Commissioner Sanchez.

20                  PRESIDENT KOLODZIEJ: All right. First  
21 order of business is public comment. I would like  
22 to remind the public -- colleagues, we're being  
23 respectful to the public. If you need to talk,  
24 you can do that outside.

25                  All right. Public portion, there is a

1 three-minute time limit which I'm going to ask you  
2 to please honor today. All of us are excited  
3 about what we're doing here, but we're also  
4 excited about spending time with our family.

5 So do we have a sign-in sheet today?

6 So then who would like to go first? I  
7 need your name and your --

8 MR. AMODIO: I only see four names.

9 PRESIDENT KOLODZIEJ: All right. Just go  
10 ahead.

11 MR. LINTERIS: Good afternoon. My name is  
12 Bill Linteris, President of Passaic County Board  
13 of Realtors. On behalf of the Board, I'd like to  
14 thank you for your adoption of Resolution 14-107  
15 at your October 22nd meeting asking the DEP for a  
16 stay in the Administrative Consent Order  
17 concerning the reservoir project.

18 The Passaic County Board of Realtors  
19 believes that as we have seen over the course of  
20 nearly the last year, this process has truly  
21 evolved with the public's involvement as well as  
22 the countless elected officials at the federal,  
23 state, and local level. Through this involvement,  
24 thousands of members of the public and countless  
25 elected officials learned about and have taken

1 positions raising concerns about this issue  
2 surrounding the reservoirs in Woodland Park and  
3 Paterson.

4 In addition, as we saw at your meeting  
5 with the EPA and the DEP last week, the DEP is now  
6 pushing back the timeline to allow for more input  
7 from the residents and other stakeholders.

8 According to the DEP representative, Fred Sickels,  
9 which he indicated that meetings will be held in  
10 the coming months and could lead to a redesign of  
11 the projects.

12 The Passaic County Board of Realtors  
13 believes this is another positive step,  
14 especially, seeing as how the Commission is  
15 already looking at alternatives for the Levine and  
16 Great Notch Reservoirs in the form of off-site  
17 locations and possible water treatment  
18 respectively.

19 The Passaic County Board of Realtors  
20 strongly believes that with this additional time  
21 being granted by the DEP that this Commission  
22 should not just look at alternative locations, but  
23 truly start this process from the beginning with  
24 public involvement to look at the best way of  
25 complying with the LT2 Rule which will preserve

1 all three reservoirs; Great Notch, New Street and  
2 Levine.

3 To that end, the Passaic County Board of  
4 Realtors would like to recommend to the Passaic  
5 Valley Water Commission, establish a working group  
6 of members, staff of the Commission, local,  
7 elected officials and stakeholder groups such as  
8 Passaic County Board of Realtors and the New  
9 Jersey Community Development Corporation and most  
10 importantly, members of the public. Especially,  
11 those with expertise, such as the engineer who  
12 spoke at last week's meeting, to look at all the  
13 alternatives and present ideas and recommendations  
14 for the best, most cost effective way to comply  
15 with the LT2 Rule that would preserve all three  
16 reservoirs in Paterson and Woodland Park.

17 Again, on behalf of Passaic County Board  
18 of Realtors, I thank you for your willingness now  
19 to truly reexamine this issue and look forward to  
20 working with the Commission in the future to look  
21 at the alternatives in accordance with the LT2  
22 Rule that will give us a chance to save the Great  
23 Notch, New Street, and Levine Reservoirs.

24 Thank you.

25 PRESIDENT KOLODZIEJ: Mr. Shapiro.

1 MR. SHAPIRO: No comment.

2 PRESIDENT KOLODZIEJ: Thank you for  
3 coming.

4 Carol Van Savage.

5 MS. VAN SAVAGE: No comment.

6 PRESIDENT KOLODZIEJ: Thank you for being  
7 here today.

8 Mr. Guarasci.

9 MR. GUARASCI: No comment.

10 PRESIDENT KOLODZIEJ: Get out? You got me  
11 on that one. I said: Wow, is that his gift to me  
12 for Thanksgiving.

13 MR. AMODIO: We missed you.

14 MR. GUARASCI: Good afternoon, members of  
15 the Commission. I'm sorry I passed at the  
16 meeting. My organization was celebrating our 20th  
17 anniversary. So I apologize for not being able to  
18 lend voice at that important meeting to these  
19 important deliberations.

20 But I just wanted today to echo what Mr.  
21 Linteris has said, that this process is one that I  
22 think is evolving in a way that is healthy. The  
23 key thing here at this point is this Commission  
24 has done the right thing to listening, to hearing  
25 the people and asking for an extension through

1           2016. What that has to lead to now is a new  
2           alternative process, an entirely new alternative  
3           process. I think that's important. I don't think  
4           we have to cover ground already covered.

5                     I think it's fair to say that mistakes,  
6           certainly, and I know the president is happy to  
7           hear me say that, mistakes were made in how this  
8           was rolled out, but that's okay. We've had a lot  
9           of debate. We've acknowledged those errors and  
10          now it's time to roll up our sleeves and work  
11          collaboratively.

12                    On behalf of my organization, all of the  
13          people who we represent in the area immediately  
14          surrounding the Levine Reservoir, we stand ready  
15          to help in that process. But there must be a new  
16          alternative process. If you saw from the debate  
17          that emerged over these last many months, there  
18          are many people who have ideas and those ideas  
19          need to be fully vetted and explored.

20                    The only other point I would make is: I  
21          wouldn't want this body or any of us to be  
22          discouraged or dissuaded by what seems to be the  
23          tone and tenor of the EPA or the DEP where there  
24          may seem to be little hope in pushing this back.  
25          Indeed, it's the responsibility of this body, as I

1 see it and as you've shown yourself willing to do,  
2 to fight and to fight hard on behalf of the  
3 ratepayers of this Commission.

4 In passing the Resolution at the last  
5 meeting, you have demonstrated that you have heard  
6 the public and you are willing to fight on their  
7 behalf. And truthfully, that fight is only just  
8 beginning.

9 And so I look forward to joining forces  
10 with you. But most of all, I want to be as  
11 helpful as I can in helping this Commission to be  
12 a vibrant, robust voice that is not afraid of  
13 going up against other governmental authorities  
14 when they're asking us to do things that are not  
15 in the best interest of the people served by this  
16 Commission.

17 So we're looking to be your ally in that.  
18 But make no mistake about it, there's a fight  
19 ahead and we want to be your allies in that fight.

20 Thank you.

21 PRESIDENT KOLODZIEJ: Is there any other  
22 member of the public that wishes to speak that has  
23 not signed up?

24 Yes. Can you give your name?

25 MR. PATEL: My name is Yago (Phonetic)

1 Patel, Main Avenue in Passaic. It's a property.  
2 I have a dispute with the billing of the Water  
3 Commission and I would like to present my side.

4 PRESIDENT KOLODZIEJ: Okay. Can I just  
5 ask Mr. Bella to comment. Has he met with anyone  
6 in our staff before today?

7 MR. BELLA: Yes. He met with Jim  
8 Gallagher. Correct?

9 MR. PATEL: Jim Gallagher and I saw Mr.  
10 Bazian last time and Mr. Rigo. And Mr. Bazian  
11 asked Mr. Bella to look into the matter. I didn't  
12 hear anything.

13 A couple of weeks ago I heard all the  
14 water will be turned off again if you don't pay  
15 the bill. Now, the bill, the same thing the last  
16 time that I came. That meter's on my side but  
17 then they say okay --

18 COMMISSIONER SANCHEZ: Call John. Call  
19 John.

20 MR. PATEL: Nothing happened. They send  
21 me the same thing: We're going to shut off your  
22 water if you don't pay this entire bill.

23 It's from 2009. The tenant never paid and  
24 I never knew that he did not pay. They continue  
25 sending him every month, every three months

1           quarterly. Most of the time if I don't pay bill  
2           in one quarter, they serve me turnoff notice. Why  
3           did they continue until 2014 not to turn the water  
4           and then send a bill as an owner? I didn't know  
5           he wasn't paying the bill.

6                     I was surprised when I entered. He moved  
7           out, the tenant moved out. He did not pay. I  
8           never knew. The new tenant when he said water is  
9           not on, then I came to Water Commission. I said:  
10          Call the water company and see what they say.  
11          They say the previous tenant did not pay the 3,000  
12          something plus amount. I said how come they let  
13          that kind of money and keep the water running, why  
14          didn't they shut it off. I don't know when they  
15          shut it off even.

16                    COMMISSIONER SANCHEZ: Sorry, can I  
17          interrupt?

18                    PRESIDENT KOLODZIEJ: I think I would like  
19          him to just finish his three minutes. We'll  
20          obviously have to come back in a little while at  
21          the proper point in the meeting.

22                    This is a landlord/tenant legal issue. So  
23          Mr. Hanley is going to have to weigh out. So why  
24          don't we give Mr. Patel the opportunity after we  
25          close the public portion to come back after he

1 talked to Mr. Hanley to vent his side of the  
2 issue.

3 Is that okay with you, Commissioner?

4 COMMISSIONER SANCHEZ: Okay.

5 PRESIDENT KOLODZIEJ: Is there anything  
6 you want to tell Mr. Hanley?

7 COMMISSIONER SANCHEZ: I had spoken to Mr.  
8 Patel myself and I have called Mr. Kelly to look  
9 into it. And I just wanted to know, Joe, when you  
10 had a chance to look into this, what was the  
11 result of the conversation you had with Mr. Patel?

12 MR. BELLA: I spoke to our people. I had  
13 them look into it, which is typically what I do,  
14 and they're telling me that it was water through  
15 the meter and it was unpaid. And that's what I've  
16 been told. Whether or not that changes after he  
17 makes his presentation, that's not for me to  
18 report.

19 PRESIDENT KOLODZIEJ: Okay. I would  
20 appreciate somebody sitting down with Mr. Patel  
21 now so that we know the legal issues here.  
22 Landlord/tenants are very specific. I don't know  
23 what the landlord/tenant agreement was here. We  
24 want to do the right thing both by the landlord,  
25 but we also want to protect the Passaic Valley

1 Water Commission.

2 So Mr. Patel, if you would just -- who's  
3 going to handle this? Which of your people?

4 MR. HANLEY: What I'd suggest, because I'm  
5 not so sure we'd be able to resolve it today. If  
6 we can make an appointment, we'll put together the  
7 --

8 MR. PATEL: Another point I would like to  
9 make is when I phone call, no answer back. I  
10 leave a message for Mr. Joe Bella. Diane, I call  
11 two weeks ago, Diane. Right?

12 MR. BELLA: Yes.

13 MR. PATEL: I called two times. "Call me  
14 please. I would like Mr. Bella to resolve this  
15 issue once and for all." No answer. Nothing.

16 Mr. Jim Gallagher, I called two times. No  
17 answer. Nothing. No meeting. I requested a  
18 meeting also in my effort; nothing.

19 This thing is happening. They said is the  
20 lien amount. What kind of thing is lien amount to  
21 resolve my problems, you know. I want to pay it,  
22 but it's never an amount. I don't say I don't  
23 want to pay, but not \$3,000 or \$2,000 what they're  
24 saying. Whatever the amount it is, I'm not saying  
25 I'm not going to pay it. But I want to work out

1 something. They don't want to talk to me. They  
2 don't want to resolve anything. This is not --  
3 it's a monopoly, doesn't mean that you would not  
4 care about public relations. That's my input.

5 PRESIDENT KOLODZIEJ: What I'm going to  
6 ask you to do, and if it's agreeable to you, Mr.  
7 Hanley, he's the lawyer. You're going to go to  
8 his secretary and you're going to set up an  
9 appointment today. Mr. Hanley will work through  
10 all these issues you're bringing up. And what I  
11 think what you're saying is that there should be a  
12 compromise that makes sense to both our  
13 organization and you the landlord.

14 MR. PATEL: That's what I want for seven,  
15 eight months.

16 PRESIDENT KOLODZIEJ: All right. You have  
17 the commitment.

18 Mr. Gallagher, can you make sure that he  
19 goes to the right place to make the appointment.

20 MR. GALLAGHER: We have already met with  
21 him.

22 PRESIDENT KOLODZIEJ: I know you have. He  
23 needs to make an appointment to meet with Mr.  
24 Hanley.

25 MR. GALLAGHER: Okay.

1                   PRESIDENT KOLODZIEJ: So I just need him  
2 to get from here to where he needs to go to make  
3 that appointment. All right. Hopefully, on our  
4 agenda next month, there will be whatever is  
5 worked out will be put on our agenda for us to  
6 then take action on.

7                   So we thank you for coming today and we're  
8 sure your problem is going to be resolved.

9                   MR. PATEL: I appreciate your time.

10                  PRESIDENT KOLODZIEJ: Is there any other  
11 member of the public that wishes to speak?

12                  All right. Hearing none, may I have a  
13 motion to close the public hearing?

14                  COMMISSIONER BAZIAN: Move it.

15                  COMMISSIONER CLEAVES: Second.

16                  MR. AMODIO: On the roll.

17

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

20

21                  MR. AMODIO: Thank you.

22                  The time is 12:20.

23                  PRESIDENT KOLODZIEJ: For the sake of  
24 efficiency, I'm going to dispense of the regular  
25 order of business to continue to focus on any

1 updates we have on the reservoir and an issue that  
2 has come up to us because of a lack of time to get  
3 it finished so that it would be properly sent  
4 here.

5 So first we're going to ask Mr. Bella to  
6 give us an update on any information we have as to  
7 the outcome of our meeting that we held in  
8 Paterson with the DEP EPA.

9 MR. BELLA: I've been in contact with the  
10 DEP and they're in the process of setting up a  
11 meeting between me and myself to set the process  
12 that we'd like to go through in terms of  
13 stakeholder involvement and that kind of thing.  
14 And by the December meeting, I'll have something  
15 more concrete to report. And we just don't have  
16 anything set up formally at this moment, but in  
17 the next week or so that will start to move  
18 forward.

19 PRESIDENT KOLODZIEJ: Most of us have been  
20 there at the meeting in Paterson and I thought the  
21 State and the EPA made it very clear that the ball  
22 is in their court now. They will be the ones that  
23 will be setting up the meetings for the  
24 stakeholders. I guess what you're telling us here  
25 today is they will define for us what our role

1 will be in those meetings that they intend to set  
2 up. And that's what you're saying?

3 MR. BELLA: That's correct.

4 PRESIDENT KOLODZIEJ: You hope to report  
5 back in December.

6 MR. BELLA: That's correct.

7 PRESIDENT KOLODZIEJ: All right. I'm  
8 going to grant former chair, because he ran such a  
9 tight ship, Mr. Sanchez, the courtesy of, he did  
10 allude to it at our last meeting, in regard to  
11 some of the alternatives that we're looking at and  
12 how costly they are. So he has followed through,  
13 I believe, you said, Commissioner Sanchez, with  
14 our Legal Department.

15 COMMISSIONER SANCHEZ: Yes, I have. I  
16 want to thank George. I have a copy of --

17 PRESIDENT KOLODZIEJ: Does everybody have  
18 this?

19 COMMISSIONER SANCHEZ: He helped me put it  
20 together and my Resolution is basically -- Louie,  
21 will you do me a favor of reciting the Resolution?

22 MR. AMODIO: "Resolution urging collective  
23 action with respect to the Passaic Valley Water  
24 Commission's Finished Water Reservoirs and the  
25 Administrative Consent Order issued by the DEP of

1 the State of New Jersey regarding National Primary  
2 Drinking Water Regulations known as Long Term Two  
3 Enhanced Surface Water Treatment Rule LT2."

4 PRESIDENT KOLODZIEJ: Keep going.

5 MR. AMODIO: "WHEREAS, numerous citizens  
6 and private and corporate entities have expressed  
7 their concerns with respect to Finished Water  
8 Reservoir Projects porposed for addressing  
9 compliance by PVWC with the LT2 regulations as  
10 ordered by the New Jersey Department of  
11 Environmental Protection pursuant to the Amended  
12 Consent Order of said DEP.

13 WHEREAS, those entities and those  
14 individuals represent broad segments of the public  
15 which PVWC serves, and;

16 WHEREAS, PVWC was created by the Cities of  
17 Paterson, Passaic, and Clifton for the purpose of  
18 providing sufficient potable water to supply said  
19 Owner Cities and surrounding Municipalities and  
20 Counties, and has done so for many decades in a  
21 most cost-efficient and effective manner; and.

22 WHEREAS, it is reasonably accepted (sic)  
23 that the above" --

24 COMMISSIONER BAZIAN: Anticipated.

25 MR. AMODIO: "Anticipated functions of

1 PVWC will continue for many decades to come; and

2 WHEREAS, PVWC wishes to work cooperatively  
3 with its customers and other constituencies to  
4 continue to provide safe drinking water at  
5 affordable in sufficient amounts to meet domestic  
6 and commercial needs of those people; and

7 WHEREAS, numerous members of the public  
8 and private entities, not directly contributing  
9 financial assistance to Projects will benefit  
10 directly from the completion of the Projects by  
11 having available to them vitally important safe  
12 potable water supply on a continuing and reliable  
13 basis; and

14 WHEREAS, it is anticipated that such  
15 cooperative efforts will necessarily include any,  
16 legislative assistance with financing and other  
17 such assistance for advice as is necessary and  
18 appropriate at the Regional, State, or Federal  
19 level to accomplish these mutually beneficial  
20 goals in accordance with the mandated mission of  
21 PVWC in this regard, and;

22 WHEREAS, numerous local government bodies  
23 have a adopted Resolutions urging a re-evaluation  
24 of the currently approved Plan set forth in the  
25 ACO and delay of implementation of same until

1 additional public input is received and  
2 alternatives are examined; and.

3 WHEREAS, one alternative which should be  
4 examined and carefully considered as a far more  
5 cost-effective, and lower impact alternative from  
6 a cultural, historical, aesthetic, and Land Use  
7 Planning perspective, is to require the City of  
8 Newark and PVWC to seek to create a single  
9 reservoir, sufficient to provide for the water  
10 supply and health and safety needs of both  
11 systems, in accordance with the need for finished  
12 water supply, to the extent feasible.

13 NOW THEREFORE IT BE IT RESOLVED THAT:

14 1. PVWC resolves to work with all such  
15 individuals, customers, corporate, industrial,  
16 commercial and nonprofit groups to devise  
17 acceptable and affordable methods and solutions  
18 which are culturally and aesthetically compatible  
19 with the needs of said individuals, groups and  
20 entities.

21 2. PVWC welcomes the opportunity to work  
22 with said individuals, groups and entities, in  
23 concert with concerned Federal, State, Regional,  
24 and local elected and appointed officials,  
25 including such similarly situated public water

1           purveyors such as the City of Newark in  
2           cooperative effort to achieve the goals expressed  
3           herein.

4                   3. It is fair and reasonable to expect  
5           that Federal, State, and Regional constituencies  
6           contribute to the financing of this Project, since  
7           numerous taxpayers and public and private  
8           individuals not constituting PVWC ratepayers  
9           (which ratepayers principally hardworking, middle  
10          class wage earners and small business people) who  
11          will benefit from the Project.

12                   4. PVWC therefore hereby solicits the  
13          assistance of the Local, Regional, State and  
14          Federal officials in support of the need for  
15          modifications to the ACO as well as assistance in  
16          acquiring financial assistance from sources other  
17          than PVWC's customers who are primary low and  
18          moderate income people and small businesses.

19                   5. The Executive Director, Chief  
20          Engineer, Chief Financial Officer, General Counsel  
21          and such other Officers, Agents, and/or Employees  
22          of PVWC, as are necessary, shall assist in that  
23          effort to the extent necessary to accomplish same  
24          in an expeditious manner.

25                   6. A copy of this Resolution shall be

1 forwarded to the appropriate administrative  
2 officer of any entity or individual, as well as  
3 said public officials and private entities who  
4 have expressed concerns to PVWC advising them of  
5 PVWC's interest and willingness to work  
6 cooperatively with them, in regard to the purpose  
7 expressed in this Resolution."

8 We have a motion by Commissioner Sanchez.

9 PRESIDENT KOLODZIEJ: I think I would just  
10 like to have some dialogue before we have a  
11 motion.

12 Am I the only who wishes to have dialogue?

13 Commissioner DeVita, you go first.

14 COMMISSIONER DeVITA: Does this basically  
15 say we're going to --

16 PRESIDENT KOLODZIEJ: Commissioner,  
17 Commissioner, can you just wait for our colleagues  
18 to finish. Since they don't want to wait for you,  
19 I'm asking you to wait for them.

20 COMMISSIONER DeVITA: The purpose of this  
21 is we're going to cooperate.

22 COMMISSIONER SANCHEZ: The purpose is we  
23 want to cooperate. But we also want to focus, if  
24 all of these areas brought into this, we can have  
25 that put into and have Newark and Passaic Valley

1 Water get together and work together we could save  
2 money and we could save --

3 COMMISSIONER DeVITA: Is this geared more  
4 towards us urging Newark to do this?

5 COMMISSIONER SANCHEZ: Urging everybody to  
6 work together on this.

7 COMMISSIONER DeVITA: Okay.

8 PRESIDENT KOLODZIEJ: That was along the  
9 line of my question.

10 All this does, in my opinion,  
11 Commissioner, is to pull together all the dialogue  
12 we've been having for the last few months and  
13 putting it down in Resolution form which will then  
14 be forwarded to the State and the DEP to evaluate  
15 along with everything else we've sent along to  
16 them. Correct?

17 COMMISSIONER SANCHEZ: Yes. Madam  
18 President, we have the same concerns the public  
19 has. My expression is that we have the same  
20 concerns.

21 PRESIDENT KOLODZIEJ: Right.

22 COMMISSIONER SANCHEZ: Economic,  
23 environmental, every concern they have, we have.  
24 So we're asking for help.

25 PRESIDENT KOLODZIEJ: We've already



1 after this Resolution we're going to ask.

2 PRESIDENT KOLODZIEJ: No. It's going  
3 forward. I will assume that we'll be sending it  
4 to everybody that's sending us material; all the  
5 elected officials and Assembly people, Congress  
6 people, everybody will get a copy of this.

7 Yes, Commissioner Bazian.

8 COMMISSIONER BAZIAN: If I may, Madam  
9 President.

10 First of all, thank you, Commissioner  
11 Sanchez for taking a lead on this.

12 As I read the Resolution and I don't  
13 recall having seen or discussed it before, just  
14 having read it now, the way I read this is  
15 basically, the primary benefit to us is by putting  
16 together a Resolution here we are now formally  
17 declaring what we've said all along. There's a  
18 great deal of misinformation out there about what  
19 we've been saying and what our intent is there and  
20 the purpose of this is to clarify it and make sure  
21 there are no questions as to what we intend to do  
22 and where we're going with that.

23 Commissioner Sanchez, am I correct in  
24 that?

25 COMMISSIONER SANCHEZ: Yeah, you're a

1 hundred percent right.

2 COMMISSIONER BAZIAN: On that basis, I'll  
3 second the motion.

4 PRESIDENT KOLODZIEJ: We need a motion.

5 COMMISSIONER BAZIAN: It's already been  
6 introduced by Commissioner Sanchez and I'll  
7 second.

8 PRESIDENT KOLODZIEJ: All right. So  
9 you're introducing your Resolution as been put  
10 together, for the record, by Mr. Hanley, seconded  
11 by Commissioner Bazian.

12 COMMISSIONER SANCHEZ: I just want to say,  
13 for the record, that I spoke about it and I gave  
14 George the context. So I want to thank you.

15 PRESIDENT KOLODZIEJ: I just don't want  
16 people to think we have another lawyer on this,  
17 otherwise, we'll be top heavy with lawyers.

18 Roll call, please.

19

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

22

23 MR. AMODIO: Motion approved.

24 PRESIDENT KOLODZIEJ: All right. The last  
25 issue in regard to the reservoir covers

1           inadvertently under the Executive Section Law we  
2           have asked Mr. Hanley to put together a summary of  
3           the City of Portland case, because as Commissioner  
4           Bazian has pointed out, it still mystifies me that  
5           when we were in Paterson, people are still putting  
6           forward information that's incorrect.

7                        So I would think that right now, Mr.  
8           Hanley, if you could just briefly summarize the  
9           important points of the Portland case so we can  
10          finally put that to rest and move onto more  
11          productive discussions, I think it would be  
12          helpful.

13                       MR. HANLEY: Yes, Madam President.

14                       The Portland case is a very interesting  
15          case. First of all, it was decided by the D.C.  
16          Circuit Court of Appeals, what they call on bond.  
17          In other words, they have a three-member panel  
18          which is, you know, also significant. It's  
19          significant because the D.C. Circuit is where  
20          these cases go and the D.C. Circuit is considered  
21          the first among equals of circuit courts in the  
22          United States. There's various circuits and so  
23          forth. But anyway, that's significant.

24                       Secondly, the parties to the case were  
25          significant. It's called the Portland case, but

1 New York City was a party to that suit and  
2 Washington all opposing, well, actually the  
3 promulgated rule which is known commonly as LT2.

4 So you had significant parties and a  
5 significant Court reviewing this decision and they  
6 reviewed it in great length which was also  
7 interesting to me as a non scientist because they  
8 really went fairly into a fair amount of depth as  
9 to the history of the problems, not just with  
10 Cryptosporidium, but other contaminants in the  
11 public water supply.

12 Our focus, I guess, for the moment is  
13 Cryptosporidium. But there are other things of  
14 concern and they were required by the -- oh, I'm  
15 sorry, the statutory authority for this is the  
16 Safe Water Drinking Act. And the Rule was  
17 promulgated pursuant to that Act and that's pretty  
18 specific too and the Court went into the details  
19 of that.

20 But the result was that a number of  
21 studies were done. They had really two phases of  
22 the implementation of that Rule. We're dealing  
23 now with the second phase, the more detailed one.  
24 And the Court basically said, and I'm quoting  
25 that: The positions taken by the plaintiffs or

1 the petitioners of Portland and the others I  
2 mentioned were quote - "meritless", meaning they  
3 basically said the EPA had done everything the way  
4 they're supposed to do it under the statute. They  
5 had followed the best science available and,  
6 therefore, the Rule would remain in place.

7 It was a very strong opinion. In my  
8 experience, unusually strong.

9 So the bottom line is that Rule has been  
10 considered by the highest court in the land other  
11 than the United States Supreme Court. And  
12 apparently, the petitioners chose not to petition  
13 for suit. And it's been in place for, I forget  
14 now off the top of my head, for several years.

15 COMMISSIONER BAZIAN: 2007.

16 MR. HANLEY: Thanks.

17 So I mean, that's the bottom line. The  
18 Rule has been attacked by some very substantial,  
19 credible entities that are subject to it and they  
20 lost. They were shut out.

21 PRESIDENT KOLODZIEJ: Commissioner DeVita.

22 COMMISSIONER DeVITA: One more thing, if I  
23 can, because they also mentioned Stanley Levine  
24 Reservoir.

25 MR. HANLEY: Oh, I forgot, yes. They

1           actually mentioned the Stanley M. Levine Reservoir  
2           in the opinion as an example of one that requires  
3           special attention under this Rule. It was part of  
4           a study that they were --

5                        COMMISSIONER DeVITA: Six reservoirs.

6                        MR. HANLEY: That study being one of the  
7           important bases for the decision from a scientific  
8           point of view.

9                        PRESIDENT KOLODZIEJ: I appreciate the  
10          looking into it. I think it's important to get it  
11          on our record because it's always amazing to me  
12          when somebody has a mindset it's hard to get them  
13          off of that and I'm glad to hear that the people  
14          who used to have mindsets are all on the same  
15          page, that there is a better way to move forward  
16          from here. There are better options that we're  
17          going to consider from here. And as I understood  
18          the strong statements made at our meeting in  
19          Paterson by both the DEP and the EPA was they call  
20          it a "timeout", but a timeout so that all  
21          involved, all involved stakeholders will use it  
22          for productive end results.

23                        So I think we should be finished with the  
24          name calling. We should be finished with that.  
25          This is America, so I'm not expecting all of that

1 to go away. But I think the people that have been  
2 most vocal have gotten on the same page with us  
3 and I think that it's going to produce exactly  
4 what everybody is hoping to produce, which is an  
5 end result that will guarantee a safe and reliable  
6 potable drinking water supply with the sensitivity  
7 to the cost and a sensitivity to the aesthetics  
8 that will have to be dealt with regardless,  
9 whatever the end choice is going to be.

10 So thank you, George, for that. I hope I  
11 don't ever have to hear anybody come here and  
12 debate the Portland case anymore.

13 We'll just pick up. Everybody have a  
14 Happy Thanksgiving. Enjoy your holiday and we'll  
15 see you in December.

16 Let's move right into committee reports.

17 MR. AMODIO: Just one second.

18 PRESIDENT KOLODZIEJ: Commissioner Bazian,  
19 do you want to take it from here so you can give  
20 an overview? That doesn't have anything to do  
21 with your presentation.

22 MR. AMODIO: This is the electrical.

23 PRESIDENT KOLODZIEJ: All right. The  
24 reason why we had to change our meeting today.

25 MR. AMODIO: Yes. We have to get a

1 presentation from the consultants.

2 PRESIDENT KOLODZIEJ: All right. Got it.

3 COMMISSIONER BAZIAN: Is this one year or  
4 two years?

5 COMMISSIONER LEVINE: What's it for?

6 MR. AMODIO: Electric procurement.

7 MR. BELLA: We do this every two years.

8 PRESIDENT KOLODZIEJ: The problem was they  
9 had to open the bids this morning and we need to  
10 take action on this now.

11 So Mr. Duprey, you want to guide us  
12 through what's happening here?

13 MR. DUPREY: Yes. This is Russell Ford  
14 from CH2M Hill and Brandon Fowler from ENSTRAT who  
15 has a contract through CH. And they looked into  
16 our electric procurement. And what they did was  
17 they developed procurement documents. We opened  
18 the bids this morning. It's an unusual contract  
19 in that you have to award on the same day and so  
20 what we did is we opened them up. They evaluated  
21 them. They have recommendations. They sound very  
22 favorable. I don't want to steel their thunder.  
23 I'll turn it over to them. They'll do a brief  
24 presentation on how we got there and also what the  
25 recommendations are and then we would request the

1 Commission to pass a Resolution regarding the  
2 award of the contract.

3 MR. BELLA: Commissioners, remember, we  
4 buy our electric, the actual electric as a  
5 commodity. That's why we do this now and it has  
6 worked out for us, by the way, successfully.

7 PRESIDENT KOLODZIEJ: All right. Can we  
8 all try and pay attention here.

9 MR. FOWLER: We've been here before. This  
10 is the third cycle that we've worked on for an  
11 electric supply contract. The mode on this is a  
12 competitive market solicitation; an RFP, requests  
13 for proposals. That went out to 18 suppliers.  
14 That was the top 18 decent cross-section of  
15 suppliers that are operating in this market. Out  
16 of those, we had a limited response on it of three  
17 competitive bids that were conforming bids.

18 A note on that: The reason we have three  
19 out of 18 is largely because we originate our own  
20 contract and the suppliers of this world typically  
21 want to work on their own paper, not on ours.

22 But by doing it on our paper, we are sure  
23 to get an equitable bid where it comes down to  
24 simply price. In the future, you may want to  
25 consider going to a different mode where we would

1 operate off of their paper. There's certainly  
2 ways to do that. Contracts become fairly  
3 standardized. That's not a huge issue.

4 But right now today we did receive bids by  
5 10:30 a.m. They all arrived on time. We've got  
6 three conforming bids. And as soon as we can  
7 bring this up... Right now our current supplier  
8 of contract is Constellation New Energy. We  
9 received bids this morning from Constellation  
10 again, from South Jersey Industries, and the third  
11 one from ConEd Solutions. They were all competing  
12 last time also.

13 Since this is not choosing to work, I'm  
14 going to verbalize this and tell you --

15 MS. BECKERING: We have copies on paper.

16 PRESIDENT KOLODZIEJ: I'm glad  
17 Commissioner Bazian stepped out because he's going  
18 to be very upset that this is not working right.  
19 So thank you for the Plan B. That's typical  
20 engineering philosophy.

21 MR. FOWLER: Okay. So I'll direct your  
22 attention to what was intended to be a  
23 presentation. PVWC electricity status. A couple  
24 of slides there. You can see the Current Status  
25 on that first slide. You can see what our price

1 is like. That contract ends at the end of this  
2 year. So we're compelled to go out into market  
3 again or go back to utility service which is far  
4 more expensive. So I won't belabor that slide at  
5 all.

6 In fact, I would invite you to skip  
7 through to slide number 3 which actually shows the  
8 bids that came in today and then I'll slow down  
9 for a moment. One more page and you'll find that  
10 bid sheet.

11 This is what we received this morning. As  
12 you can see, the various suppliers are  
13 Constellation, South Jersey, and ConEdison. You  
14 can see what our current rate is at .0758 and our  
15 current annual cost. This is for the large meters  
16 that we've done in the past.

17 One other departure: This year, we also  
18 were able to bag up all the smaller accounts which  
19 there are minimum, and get those into the  
20 solicitation so they can be served by this third  
21 party as well.

22 So there's two blocks here: One is for  
23 the large accounts, the primary. The other is the  
24 secondary, the small accounts. We have two sets  
25 of figures for each. Most of the load, of course,

1 is in those three big accounts.

2 In any event, you can see what our current  
3 rate is at .0758 and the rates that were offered  
4 on a one-year deal and on a two-year deal with the  
5 three suppliers.

6 So, for example, on Constellation, you can  
7 see the one-year price is .0766. That deals an  
8 annual cost for this supply service. This does  
9 not include the delivery service of what we're  
10 buying; we're buying in a competitive market. So  
11 that's three million bucks a year.

12 And you can see on year two, on a two-year  
13 deal that the price is slightly better. That's  
14 the shape of the forward curve right now. It's a  
15 little bit cheaper to buy forward. A really good  
16 time to be in the market.

17 So looking at that top block, that's where  
18 really all the money is. You can see  
19 Constellation offered the superior bid. They're  
20 the incumbent. That is a typical situation. They  
21 know the load. They know you guys. They know  
22 your payment history. They know your risk  
23 profile. They know your credit; all those sorts  
24 of things. So they did prevail once again with  
25 the best price on a one and a two year.

1           For the small accounts, the same applies.  
2           They also showed the best price for the small  
3           accounts. You'll see they're quite a bit more  
4           than the big accounts. They don't have the same  
5           low characteristics.

6           So tail of the tape here is you go down to  
7           the bottom line here. You see the total cost on  
8           the low bid from where we are today is  
9           3.8 million. It goes down a bit.

10          For all the accounts all told, we would be  
11          down on our budget about 157,000 assuming that our  
12          low profile remains similar. That is a variable.  
13          The rate is cheaper. We have about \$157,000  
14          reduction in our budget if we execute this  
15          contract.

16          MR. DUPREY: Per year.

17          MR. FOWLER: That's right. Now, to the  
18          term.

19          This is all, by the way, in the memo  
20          attached here as well.

21          Our recommendation on term is as last  
22          time. The maximum that you're permitted to go out  
23          is two years and the two-year price is simply  
24          better. It hedges your position effectively for a  
25          two-year period. The contract we're operating on

1 has performed well. We've had no disputes, no  
2 problems at all with the contract performance. So  
3 our suppliers are not causing us any grief. We're  
4 not getting unexpected charges. None of that has  
5 occurred.

6 So the contract's performing well. We're  
7 recommending another two-year deal. The last  
8 two-year deal performed well and in fact, if you  
9 turn to page one more, you'll see the program  
10 performance since we started taking this to market  
11 over the past couple of years and our objective  
12 being budget stability of a competitive cost by  
13 virtue of this competitive market solicitation, we  
14 get a competitive cost. We have three top  
15 suppliers competing for this showing us their best  
16 numbers. And you can also see the pattern there.  
17 We dropped down the first year and we've been very  
18 stable since.

19 So the recommendation is to execute the  
20 two-year contract with the low bid, Constellation,  
21 under our terms and conditions. We've got new  
22 accounts in there. The smaller accounts of  
23 \$157,000 that is a cost reduction in our budget  
24 going into the next year. About half of that  
25 comes from the small accounts; the other half

1 comes from the big accounts, because the market  
2 timing being fairly decent here.

3 So that that is the short version of what  
4 we've gone through; a full blown competitive  
5 solicitation, canvas the market, got responses  
6 here, timely bids were submitted, we show fair  
7 competitive market rate, and in fact, we show  
8 reduction in our budget coming into the next year  
9 and two years if you choose to accept the two-year  
10 recommendation.

11 Let me pause there.

12 Any questions?

13 COMMISSIONER DeVITA: Actually, I don't  
14 know if anybody heard, you mentioned that we only  
15 had three responses because of our --

16 MR. FOWLER: Yes.

17 COMMISSIONER DeVITA: -- So are we better  
18 off getting more competitive bids using other  
19 contracts or is that a draw?

20 MR. FOWLER: First things first, better  
21 off, we think with the three suppliers that we  
22 have here, we got a competitive price. With more  
23 bidders, it's possible there would be a marginal  
24 reduction, possible.

25 But just for form sake, in order to assure

1           that we get enough, you know, critical mass on  
2           bids and a truly competitive situation, our  
3           recommendation today would be to begin the work of  
4           making it possible to approve another party's  
5           contract.

6                         Now, this is not too big a hill to climb,  
7           simply because over the last ten years, these  
8           contracts and suppliers are fairly standardized.  
9           In the early going, there was huge differences  
10          among the suppliers and the quality of their  
11          contract and the equitability of those contracts.  
12          They've been beaten down over the past ten years.  
13          They all have the same key provisions. In fact,  
14          the contract that we put together that we're using  
15          now has all the key provisions. It's not a lot  
16          different than theirs. But they have policy  
17          reasons why they want to stick with their own  
18          paper.

19                        The short answer is: There's not that  
20          much of a difference between the two. We got a  
21          lot of load here. We good credit. We can  
22          negotiate a contract. We can get something  
23          virtually identical to what we have today.

24                        So, yes, I would say, open this up to be  
25          able to accept other contracts. Have a way to

1 grade those contracts to make sure, A, they're  
2 personally reasonable and that they're equitable.  
3 And there's certainly methods for creating a  
4 matrix in scoring those contracts. If somebody is  
5 offering you a better term, that has a value to  
6 you.

7 So there's an organized way to approach  
8 this and certainly, public entities do this every  
9 day of the week. There's an organized way so we  
10 can accept their contract, negotiate it so that  
11 it's equitable and fair and still be able to get  
12 an equitable solution in our selection of bidders.

13 So the answer is yes.

14 MR. DUPREY: You have to be careful --  
15 Commissioner, if I may?

16 We have to be careful to maintain that  
17 equal footing concept on the Local Public  
18 Contracts Law. So any recommendations going  
19 forward, we have to be careful we don't have a  
20 bunch of different contracts and we're negotiating  
21 with this one and that one and they're all  
22 different.

23 Putting them on an equal playing field is  
24 very important. And I think they've done an  
25 excellent job putting together the bid documents

1 to reflect that effort. And there might be some  
2 more to be gained, if we can sharpen the pencil a  
3 little more on how we rate that. But I think we  
4 have to be careful of the equal footing concept  
5 going forward. But we're willing to explore any  
6 suggestions that they might offer.

7 PRESIDENT KOLODZIEJ: We've been through  
8 this before and some of the engineering things you  
9 brought to us and often, you know, you see the  
10 higher price, but the equal footing provision is  
11 always important. So right now, I think we just  
12 need a motion to accept.

13 COMMISSIONER LEVINE: Can I ask a  
14 question?

15 PRESIDENT KOLODZIEJ: Yes. I'm sorry.

16 COMMISSIONER LEVINE: How long have we  
17 been buying, you know, energy on the outside for?

18 MR. FOWLER: We've been involved for I  
19 think we had a one-year contract and then a  
20 two-year contract.

21 COMMISSIONER LEVINE: Is this the lowest  
22 you've seen? You know, the bid we have now, it's  
23 the lowest in the last four or five years?

24 MR. FOWLER: It's awfully close. It looks  
25 like that first year we did, the market was a

1 little tiny bit better. But you can see it's  
2 fairly stable here. It's not a lot of difference.

3 COMMISSIONER LEVINE: Okay. So in the  
4 last ten years, it hasn't fluctuated?

5 MR. FOWLER: In the last ten years, it  
6 has. Over the last ten years, it certainly has.

7 COMMISSIONER LEVINE: Has it been higher?

8 MR. FOWLER: Certainly higher, yes.

9 COMMISSIONER LEVINE: Right now we're  
10 lower?

11 MR. FOWLER: We're at the low end of the  
12 range, yes.

13 COMMISSIONER LEVINE: That's my question.

14 MR. FOWLER: We have a very favorable  
15 market we're buying into right now.

16 COMMISSIONER LEVINE: Okay. Do you know  
17 when it was favorable in the range it is now?

18 MR. FOWLER: The last time we bought --

19 COMMISSIONER LEVINE: Besides that?  
20 Before that?

21 MR. FOWLER: The squiggly line that  
22 represents the former curve has a lot of movement  
23 in it. So the security is very expensive power  
24 and relatively cheap power. It comes and goes.

25 COMMISSIONER LEVINE: All right. I was

1           trying to figure out the two-year plan. The  
2           two-year plan next year, you know, if it's just  
3           going to go lower.

4           MR. FOWLER: It's an important question.  
5           There's very little room for the price to go down  
6           right now.

7           COMMISSIONER LEVINE: That's what I was  
8           alluding to.

9           MR. FOWLER: The upside risk though is  
10          it's huge. And there's a lot of fundamental  
11          reasons for that. I won't get into that today,  
12          but I can bore you, I'm pretty sure with that one.

13          COMMISSIONER LEVINE: That was my question  
14          in a nutshell.

15          MR. FOWLER: In a two year, prices, in  
16          fact, are lower for two years than it is for one.  
17          It seems like a pretty easy decision.

18          COMMISSIONER LEVINE: All right. That's  
19          fine.

20          MR. AMODIO: Motion?

21          PRESIDENT KOLODZIEJ: Commissioner Graddy  
22          just made it.

23          COMMISSIONER GRADDY: Yes.

24          COMMISSIONER DeVITA: Second.

25          MR. AMODIO: Second by Commissioner

1 DeVita.

2 On the roll.

3

4 (Roll call was taken, all Commissioners  
5 respond in the affirmative. Commissioner Bazian  
6 is out of the room)

7

8 MR. AMODIO: Motion approved.

9 We need to have signatures, I believe,  
10 Linda. Is that correct? So I believe the  
11 secretary and Madam President.

12 PRESIDENT KOLODZIEJ: Yes. We can do  
13 that. We can multitask, Commissioner, right?

14 COMMISSIONER CLEAVES: Yes.

15 PRESIDENT KOLODZIEJ: So I would like to  
16 continue with the meeting.

17 Thank you to everybody. Good job done by  
18 our staff people and with your guidance. I feel  
19 very comfortable about the good news.

20 A Thank you.

21 PRESIDENT KOLODZIEJ: All right. Let's  
22 start out with Commissioner DeVita. Legal  
23 affairs.

24 COMMISSIONER DeVITA: We sent out an ad  
25 for a position of legal assistant. Surprisingly,

1 we don't have that many responses. We have six so  
2 far. That's it. I think there's another week or  
3 two weeks, we'll sit down with George.

4 PRESIDENT KOLODZIEJ: All right. That's  
5 it out of legal?

6 COMMISSIONER DeVITA: That's it.

7 PRESIDENT KOLODZIEJ: Okay. So I guess  
8 what I want to impress upon everybody today is the  
9 same thing I impressed upon the committees I sit  
10 on, we're wrapping up the end of the year. So I'm  
11 trying to get everything settled and finished so  
12 that when we start off in January we're starting  
13 off with a clean slate; nothing carried over.

14 So basically, the action that's been taken  
15 or just reported back by Commissioner DeVita that  
16 will wrap up what we've been talking about. We  
17 may choose to do nothing with it when it comes  
18 back. But it's finishing up the work they set out  
19 to do.

20 All right. Let's go to... Commissioner  
21 Cleaves, are you ready with personnel?

22 COMMISSIONER CLEAVES: Sure.

23 PRESIDENT KOLODZIEJ: All right.

24 Commissioner Cleaves is ready with personnel.

25 COMMISSIONER CLEAVES: I'm going to keep

1 on the same track --

2 MR. AMODIO: Just for the record, the  
3 first individual on the list, Thomas Coates, asked  
4 for the discussion to be in open session.

5 COMMISSIONER BAZIAN: Really?

6 MR. AMODIO: Yes.

7 COMMISSIONER BAZIAN: That's a first.

8 PRESIDENT KOLODZIEJ: So I'm assuming  
9 you're giving the broad overview first and you'll  
10 just zip right into that.

11 MR. HANLEY: May I interrupt?

12 PRESIDENT KOLODZIEJ: Yes.

13 MR. HANLEY: The others have been Rice  
14 noticed?

15 MR. AMODIO: Everyone was Rice noticed.

16 MR. HANLEY: Okay. Thank you.

17 PRESIDENT KOLODZIEJ: Let's just get the  
18 overview. I appreciate where Commissioner Cleaves  
19 is coming from. She's really and the committee's  
20 really been working overtime on all these issues  
21 that have been dragging out and dragging out and  
22 dragging out; so.

23 COMMISSIONER CLEAVES: To stay on the  
24 track that legal was on, we're just trying to  
25 cleanup and get all the personnel issues in line.

1 And things that have been lingering on, get them  
2 cleared and identified and coded correctly so  
3 we're on the same track as legal. We're just  
4 trying to tie up loose ends so we can go into the  
5 new year with positions and persons, respectfully,  
6 where they're supposed to be. So pretty much  
7 that's what we discussed in personnel. And we  
8 have, you know these --

9 PRESIDENT KOLODZIEJ: So the only one if  
10 there's any questions on the first one on  
11 promotion.

12 COMMISSIONER CLEAVES: Right. The other  
13 ones are just changing the salary ranges.

14 PRESIDENT KOLODZIEJ: And there may be  
15 some questions when we go into closed session,  
16 because I know we had some in finance yesterday.

17 COMMISSIONER CLEAVES: Correct.

18 PRESIDENT KOLODZIEJ: So can we just deal  
19 with Mr. Coates and the promotion?

20 COMMISSIONER DeVITA: Can we get Mr.  
21 Gallagher in?

22 PRESIDENT KOLODZIEJ: Sure.

23 I think it's pretty self-explanatory and I  
24 do have to comment because that probably is for  
25 open session. I thought it was very helpful that

1           you dealt with our union rep in regard to how  
2           promotions will be handled. And there is a backup  
3           document in here that really fully makes it clear  
4           to both the union rep, our employees, and  
5           certainly to us as Commissioners, the procedure  
6           that's going to be followed. And that was a loose  
7           end, because everybody has a different  
8           interpretation of: We used to do it or it should  
9           be this or it should be that. So, please, that is  
10          already a policy. I don't think we have to vote  
11          on that, but please look at it.

12                   MR. AMODIO: This is the letter asking the  
13                   three members of the committee to sign off on it.  
14                   It's in your packet as well.

15                   PRESIDENT KOLODZIEJ: Okay. Yes. It's in  
16                   our packet. This is from Mr. Rivera and he agrees  
17                   that the procedure that we, the promotional  
18                   process: One. An assistant will be required to  
19                   obtain a T-1 License in order to be recommended  
20                   for the Operator title.

21                           Two. In order for an Operator to be  
22                           promoted to a Senior Operator, the Operator will  
23                           be required to first earn a T-2 License.

24                           Three. Once an employee obtains the  
25                           license required for promotion, the recommendation

1 will be made to promote the employee to the  
2 appropriate title.

3 So this is the clarity we've been looking  
4 for.

5 MR. BELLA: This is for the operator.

6 PRESIDENT KOLODZIEJ: Yes. Absolutely.

7 But it's, you know --

8 COMMISSIONER LEVINE: It's a start.

9 PRESIDENT KOLODZIEJ: -- It's one of those  
10 loose ends the committee needs to be commended.

11 COMMISSIONER BAZIAN: May I ask a  
12 question?

13 Does that mean that when an assistant  
14 requires a T-1 License they're automatically  
15 promoted to operator or it just has to be a  
16 recommendation plus the license?

17 COMMISSIONER DeVITA: I think they're  
18 eligible.

19 PRESIDENT KOLODZIEJ: We've got --

20 COMMISSIONER BAZIAN: I want to make sure.

21 PRESIDENT KOLODZIEJ: It's the  
22 eligibility, correct, Mr. Gallagher? That's the  
23 issue here.

24 MR. GALLAGHER: Yes.

25 PRESIDENT KOLODZIEJ: And the eligibility

1 now is based --

2 MR. GALLAGHER: It has to be approved by  
3 the Board.

4 PRESIDENT KOLODZIEJ: Right.

5 MR. GALLAGHER: Basically, what we're  
6 doing is we're giving what I would say approvals  
7 that, yes, there wouldn't be anything holding it  
8 up. It would have to come to the Board and the  
9 Board would have to take action.

10 COMMISSIONER BAZIAN: Is there a time in  
11 gray part? In other words, does somebody have to  
12 be an assistant for a certain amount of time also  
13 before they become eligible?

14 MR. GALLAGHER: It takes about a year or  
15 year and a half to get the license and that's if  
16 they pass the first time. But from that point  
17 forward, yes, there is timing issues that need to  
18 be addressed by statute. In other words, your T-2  
19 and T-3 and T-4 License there are requirements by  
20 the DEP that are mandatory timetables. You have  
21 to be.

22 PRESIDENT KOLODZIEJ: Commissioner DeVita.

23 COMMISSIONER DeVITA: Three and four take  
24 a long time.

25 PRESIDENT KOLODZIEJ: Now there is a

1 policy and procedure that's hard and fast. The  
2 union rep has signed off on it which is important  
3 and now everybody's, I'm liking that phrase,  
4 "equal footing". I think that's a big step for  
5 morale and some of the personnel issues we've  
6 struggled with over time.

7 So I just need to know if there's any  
8 questions on Mr. Coates that need to be addressed  
9 to Mr. Gallagher or the committee?

10 COMMISSIONER LEVINE: The question I have,  
11 I just want to hear, you know, like I said, I  
12 don't know the guy. You guys are all in line?

13 MR. GALLAGHER: Yes.

14 COMMISSIONER LEVINE: Joe, you believe he  
15 deserves it? Puts him in line?

16 MR. GALLAGHER: Mr. Coates meets the  
17 requirements we just discussed.

18 I will tell you that for the sake, Mr.  
19 Coates is facing a disciplinary issue on a  
20 different issue. But it would not jeopardize his  
21 employment at this point.

22 COMMISSIONER BAZIAN: Should we be  
23 promoting someone who is under disciplinary  
24 action?

25 MR. GALLAGHER: Again, he meets the

1 criteria we just spoke about and is an integral  
2 part of the operation.

3 COMMISSIONER BAZIAN: No, no, hold on. My  
4 understanding is there has to be a recommendation  
5 plus criteria. They can't be recommended without  
6 the criteria. Having gotten the criteria doesn't  
7 necessarily mean they automatically get the  
8 promotion.

9 You are now coming to this Board telling  
10 us that we have somebody that is under  
11 disciplinary action for something but gets  
12 promoted. Somehow somebody who is under  
13 disciplinary action does not sound like somebody  
14 worthy of a promotion.

15 Now, I don't know what the disciplinary  
16 action is and I don't know if it's appropriate to  
17 discuss that --

18 PRESIDENT KOLODZIEJ: No, it isn't.

19 COMMISSIONER BAZIAN: -- In open session.  
20 But the fact that you're telling me that he's  
21 under disciplinary action, somebody who is under  
22 disciplinary action doesn't exactly put a picture  
23 in my mind of a stellar employee who is ready for  
24 promotion.

25 PRESIDENT KOLODZIEJ: Can you back it up

1 to your comment that you were saying that the  
2 current, and we're not going to discuss the terms  
3 of what the current disciplinary action is, but  
4 you said, if I listened carefully, that it has no  
5 bearing on this promotion.

6 MR. GALLAGHER: Correct.

7 PRESIDENT KOLODZIEJ: Did you just say  
8 that?

9 COMMISSIONER BAZIAN: No, that's not what  
10 he said. He said: It has no bearing on his  
11 employment.

12 PRESIDENT KOLODZIEJ: All right. Can you  
13 just, for the record, restate your position,  
14 because I don't want to argue with Commissioner  
15 Bazian. I always lose on that argument. So just  
16 state your position, for the record, and then  
17 we'll know what to do with this.

18 MR. GALLAGHER: I also lose every argument  
19 with Commissioner Bazian.

20 Yes, it would not jeopardize his  
21 employment or would it jeopardize the promotion,  
22 in my opinion.

23 PRESIDENT KOLODZIEJ: In your opinion.

24 COMMISSIONER LEVINE: Is he allowed to  
25 tell us?

1                   PRESIDENT KOLODZIEJ: No, that's not our  
2 domain. We have somebody that hears disciplinary  
3 actions. They're objective people.

4                   Our Personnel Director has made a  
5 statement, for the record. How you interpret that  
6 statement is your prerogative.

7                   Committee, you're okay with the  
8 recommendation you made? You were unanimous in  
9 his recommendation. Correct?

10                  COMMISSIONER DeVITA: Correct, it was  
11 needed.

12                  PRESIDENT KOLODZIEJ: Now you guys all  
13 know that. We'll hold that for later because  
14 we're going to go into closed session to discuss  
15 the other ones.

16                  So thank you very much. We're not going  
17 to be discussing Mr. Coates because he wants  
18 everything about him to be discussed in public.  
19 So we're finished with this discussion.

20                  I love the former chairman. He's giving  
21 me: Okay, move on.

22                  Here we go. Finance. Shortest meeting on  
23 record, right, Commissioner Levine?

24                  COMMISSIONER LEVINE: Yes.

25                  COMMISSIONER BAZIAN: What can I say, I

1           like efficiency.

2                     All the information as we discussed is in  
3           your packets. The budget will be scheduled for  
4           approval in December, I believe.

5                     MR. WEISS: For adoption.

6                     COMMISSIONER BAZIAN: Forgive me for  
7           mixing up the terminology, for adoption in  
8           December.

9                     We reviewed overtime. What's interesting  
10          about the overtime is that we are looking at being  
11          probably about three or 4,000 hours over what we  
12          did in terms of overtime last year, but we are, at  
13          least, to date, running approximately four percent  
14          below last year in terms of cost. And that is --

15                    PRESIDENT KOLODZIEJ: The double time.

16                    COMMISSIONER BAZIAN: That's what I was  
17          about to say.

18                    MR. AMODIO: I was clearing my throat.

19                    COMMISSIONER BAZIAN: Oh, okay. Excuse  
20          me, but that's because of the elimination of the  
21          double time and that clearly had a very positive  
22          affect.

23                    In addition, there is a change that will  
24          be coming out next month in your overtime  
25          spreadsheets making it easier to compare progress

1 last year versus this year in terms of the number  
2 of hours which is the only apples to apples  
3 comparison that we have in overtime.

4 That's pretty much it. That was the bulk  
5 of what we discussed.

6 PRESIDENT KOLODZIEJ: Sounds good.

7 IT.

8 COMMISSIONER BAZIAN: IT; it had been my  
9 hope to able to give a demo of the website. We  
10 are experiencing some problems with that screen.  
11 We weren't able to get that working, so I don't  
12 have the facilities to show you.

13 Plus, the website, there are still certain  
14 things that I am expected to be done with the web  
15 site I thought would be done but aren't done yet.  
16 It is my expectation that we will be ready for a  
17 demonstration at the December meeting, no later,  
18 okay, and we'll remember that. I won't have to  
19 say that three times. Okay.

20 PRESIDENT KOLODZIEJ: Mr. Bella shares  
21 your pain today because he obviously, you know,  
22 whoever you delegated it to you thought he had it  
23 under control. Obviously, when we were leaving  
24 yesterday, I said, even this neophyte here said:  
25 There's going to be problems. We couldn't even

1 find the right computer to do this.

2 COMMISSIONER BAZIAN: So, hopefully, we'll  
3 be able to show. It is looking good. To me it  
4 looks like we're at that point where everything  
5 has been set up but now we just have to shove in  
6 the final date to make it finished. That's the  
7 way it looks like to me. If that is the case, I'm  
8 hopeful that we can be done by December. Jim, is  
9 that reasonable?

10 MR. DUPREY: Yes.

11 COMMISSIONER BAZIAN: Okay. I will take  
12 that as a commitment.

13 We've had a couple of other issues under  
14 discussion at IT, but I'm not prepared to present  
15 to the Board. Hopefully, we'll do that next  
16 meeting.

17 PRESIDENT KOLODZIEJ: Okay. Executive  
18 Director's report. Mr. Bella, front and center.

19 MR. BELLA: Particularly (b), I would like  
20 to make sure we get that taken care of. We want  
21 to go for professional services and help design  
22 the rehab of the hydroelectric generators which  
23 will help us save some money. They're not big  
24 producers because of the conditions at the plant,  
25 but still we can generate a couple of hundred

1           thousand dollars worth of electric. So that's  
2           first thing.

3                     The second one, Jim, on (c) you could go  
4           through that.

5                     MR. DUPREY: The GIS Integration.

6                     This is to assist us in the next step in  
7           that process that we're bringing everything into  
8           the GIS system. Everything is going to be  
9           location spaciouly related and all of that  
10          process which helps us get there. It's additional  
11          professional services. It's a fairly extensive  
12          programming. We expect it to be on the order of  
13          50 or \$60,000, give or take. It's highly  
14          recommended. It's a continuation of what we've  
15          done before.

16                    MR. BELLA: This will integrate the new  
17          software to our GIS engineering.

18                    Now, the important thing about this is all  
19          new accounts, all account tracking will be done  
20          through engineering. So that's what we're talking  
21          about. This will actually allow that to happen.  
22          So the people who are putting in the accounts,  
23          tracking the accounts, will be separate from  
24          people that are taking the payments and that kind  
25          of thing. I think it's going to provide us with a

1 nice, much better level of confidence that the  
2 accounts we have are the accounts that are there  
3 or should be there. So that's important. It's  
4 something we've been talking about a long time and  
5 finally, bring it all to a head.

6 PRESIDENT KOLODZIEJ: Commissioner Levine  
7 will be very happy right now. Right?

8 All right. So then I guess you will need  
9 a motion?

10 COMMISSIONER LEVINE: That's lot and block  
11 you're talking about, right?

12 PRESIDENT KOLODZIEJ: Right. Exactly.

13 MR. BELLA: That will all be controlled by  
14 engineering.

15 COMMISSIONER SANCHEZ: That's a great --

16 PRESIDENT KOLODZIEJ: He's been pushing  
17 for that five years now. It was a long time.

18 MR. AMODIO: Can I have a motion?

19 PRESIDENT KOLODZIEJ: Who's going to move  
20 that?

21 We approve both.

22 So move by Commissioner Sanchez.

23 COMMISSIONER LEVINE: Second.

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

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MR. AMODIO: Motion approved.

PRESIDENT KOLODZIEJ: That brings us to the Comptroller's report.

MR. WEISS: Cash on hand is 17.3 million.

Our accounts receivable is 14.1 million. Our 30 days or less accounts receivable is at 13.6 million, that's almost 97 percent.

Our accounts payable is at 3.3 million.

Cash collections remain strong. We have a large payment coming up in the middle of December, a little over six million dollars. That's the largest of the year. And we have the cash on hand to make the payment which is good.

That's pretty much all we have.

PRESIDENT KOLODZIEJ: That's good news, liking it.

All right.

MR. AMODIO: Lunch is here if you'd like to take a break and get lunch.

PRESIDENT KOLODZIEJ: I think we could eat lunch while we have closed session.

So can we have the motion for closed session.

COMMISSIONER SANCHEZ: So moved.

1 MR. AMODIO: Motion by Commissioner  
2 Sanchez. Do I have a second?

3 COMMISSIONER CLEAVES: Second.

4 MR. AMODIO: By Commissioner Cleaves.

5 WHEREAS, Section 8 of the Open Public  
6 Meetings Act permits the exclusion of the public  
7 from a meeting in certain circumstances; and

8 WHEREAS, the public body is of the opinion  
9 that such circumstances presently exist;

10 NOW, THEREFORE, BE IT RESOLVED, by the  
11 Commissioners of Passaic Valley Water Commission:

12 1. The public shall be excluded from the  
13 discussion of the hereinafter specified subject  
14 matters; the general nature of the subject matter  
15 being: Financial, Insurance, Personnel,  
16 Contracts, Negotiations, Security, and Law. Under  
17 Law we have: Summary/Aging reports. North  
18 Arlington Ancillary Services. McManimon Scotland  
19 mediation. Under Personnel we have change in --

20 MR. HANLEY: Before you leave that. I  
21 think we should have the Verona tank bid protest  
22 in closed initially as well.

23 MR. AMODIO: Verona tank.

24 Going on to Personnel, we have: Change to  
25 Top of Range, we have: John Cascone, Kevin Byrne,

1 Michael Marotta, and Yitz Weiss, and any other  
2 matters as may be discussed in camera.

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

8 3. This Resolution shall take effect  
9 immediately.

10 On the roll.

11  
12 (Roll call was taken, all Commissioners  
13 respond in the affirmative)

14  
15 \*\*\*

16  
17 MR. AMODIO: The time is 1:59 p.m.

18 You have a quorum.

19 Move onto the Consent Agenda.

20 We have the minutes of Passaic Valley  
21 Water Commission in camera and regular public  
22 meetings held October 22nd, 2014.

23 COMMISSIONER BAZIAN: Move it.

24 MR. AMODIO: By Commissioner Bazian.

25 COMMISSIONER GRADDY: Second.

1 MR. AMODIO: By Commissioner Graddy.

2 On the roll.

3

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

6

7 MR. AMODIO: Next: Does the Chair accept,  
8 receive, and file miscellaneous purchase orders  
9 placed by Linda Beckering, Purchasing Agent, for  
10 the period October 13, 2014, to November 16, 2014?

11 PRESIDENT KOLODZIEJ: Yes.

12 MR. AMODIO: Thank you very much.

13 I will do, if everyone would like to do  
14 one vote, I will do Requests For Action and  
15 Resolutions and --

16 PRESIDENT KOLODZIEJ: Time out.

17 COMMISSIONER BAZIAN: I just want to make  
18 sure. This is just for Resolutions, not for  
19 Personnel. Personnel we'll do separate.

20 PRESIDENT KOLODZIEJ: Right now he's doing  
21 the ones under Request For Action.

22 MR. AMODIO: I'm doing the ones under  
23 Request For Action.

24 PRESIDENT KOLODZIEJ: That's where we are.

25 COMMISSIONER BAZIAN: So that will be...

1 Let's see...

2 MR. AMODIO: 6(a) through (e).

3 COMMISSIONER BAZIAN: Okay.

4 MR. AMODIO: Okay. We have State  
5 Contract --

6 COMMISSIONER BAZIAN: I need a separate  
7 vote on Dell, anything to do with Dell.

8 PRESIDENT KOLODZIEJ: All right. So (b)  
9 is a separate vote.

10 MR. AMODIO: You don't want to --

11 PRESIDENT KOLODZIEJ: So (a) and (b). Do  
12 those first.

13 MR. AMODIO: State Contract for  
14 Procurement of computer equipment with Dell  
15 Marketing, LP, in the amount of \$6,309.53.

16 And State Contract for procurement of  
17 computer monitors with Dell Marketing in the  
18 amount of \$2,105.90.

19 Do I have a motion?

20 COMMISSIONER SANCHEZ: So moved.

21 COMMISSIONER CLEAVES: Second.

22 MR. AMODIO: Moved by Commissioner  
23 Sanchez.

24 Second by Commissioner Cleaves.

25 On the roll.

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

COMMISSIONER BAZIAN: Abstain.

MR. AMODIO: Motion approved.

Next, we will go to -

COMMISSIONER LEVINE: Do the rest together.

PRESIDENT KOLODZIEJ: He's got to do the separate one separate.

MR. AMODIO: No, I did them together.

PRESIDENT KOLODZIEJ: Perfect. All right.

MR. AMODIO: State Contract procurement of copier equipment with Xerox Corporation in the amount of 24,551.28.

And item (d). State Contract purchase for AutoCAD software/licensing upgrades with SHI Corporation, in the amount of \$5,309.45.

Contract #14-B-20 "Water Storage Improvement Phase 1 - Verona Tank No. 2" recommendation to award a 300-day contract to Fisher Tank Company in the amount of \$2,354,900.

And I can do the Resolutions as well which is: Resolution of Passaic Valley Water Commission

1 Directing and Undertaking of Continuing Disclosure  
2 Review and Authorizing Participation in the  
3 Municipalities Continuing Disclosure Cooperation  
4 Initiative of the Division of Enforcement of the  
5 U.S. Securities and Exchange Commission.

6 Do I have a motion?

7 COMMISSIONER GRADDY: So moved.

8 MR. AMODIO: By Commissioner Graddy.

9 COMMISSIONER SANCHEZ: Second.

10 MR. AMODIO: Second by Commissioner  
11 Sanchez.

12 On the roll.

13  
14 (Roll call was taken, all Commissioners  
15 respond in the affirmative)

16  
17 MR. AMODIO: Thank you.

18 We'll go to recommendations from closed  
19 session.

20 We have promotion of Thomas Coates, Senior  
21 Water Treatment Plant Operator/TA.

22 COMMISSIONER BAZIAN: I'd like a separate  
23 vote on that.

24 COMMISSIONER LEVINE: Separate on --

25 MR. AMODIO: Hold on. Proposed salary of



1 of Finance and Accounting. Proposed salary for  
2 2015 is \$129,826. Proposed top of the range of  
3 \$150,000.

4 Next is Michael Marotta, General  
5 Supervisor. The salary for 2015 including  
6 longevity is going to be \$135,244.

7 Where is Jim Gallagher? I'm sorry, I'm  
8 sorry, that's right.

9 The proposed top of the range would be  
10 \$144,940 including longevity.

11 Do I have a motion?

12 COMMISSIONER LEVINE: So moved.

13 MR. AMODIO: Moved by Commissioner Levine.

14 COMMISSIONER CLEAVES: Second.

15 MR. AMODIO: Second by Commissioner  
16 Cleaves.

17 On the roll.

18  
19 (Roll call was taken, all Commissioners  
20 respond in the affirmative)

21  
22 COMMISSIONER BAZIAN: With great  
23 reluctance, yes.

24 COMMISSIONER DeVITA: I'm going to vote  
25 yes, but I would like to say that I think the

1           personnel committee worked on this for six to  
2           eight months for (b), (c), and (d). We had a lot  
3           of discussions, a lot of disagreements, a lot of  
4           arguments. I think it came down to the fact that  
5           Mr. Bella showed us the additional duties they  
6           were all doing and why they deserved this  
7           additional compensation. He went through stuff  
8           with Michael Marotta and Yitz and Kevin to show us  
9           the additional work they were doing above and  
10          beyond what they were doing before. So I'm going  
11          to go with yes.

12                   PRESIDENT KOLODZIEJ: I'm going to  
13          reaffirm what you said. The whole initial concept  
14          was to do these adjustments based on comparable  
15          salaries within the water industry and in the  
16          private sector because we are having difficulty in  
17          keeping our qualified people. And if we don't  
18          make those proper adjustments and then the bonus  
19          on top of that was the ability to take and  
20          eliminate positions and assign additional duties  
21          to these people. So we're actually winding up  
22          with the savings that on paper it looks one way,  
23          but in reality it's been a really good thing for  
24          this organization. So my answer is yes.

25                   COMMISSIONER LEVINE: And morale.

1 PRESIDENT KOLODZIEJ: Morale, absolutely.

2 MR. AMODIO: Okay. Moving on to New

3 Business:

4 Summary of Disbursements and Payrolls

5 through November 25, 2014, in the amount of

6 \$9,556,943.21.

7 Would the treasurer like to make a motion?

8 COMMISSIONER BAZIAN: Move it.

9 COMMISSIONER LEVINE: Second.

10 MR. AMODIO: Second by Commissioner

11 Levine.

12 On the roll.

13

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

16

17 COMMISSIONER DeVITA: Abstain on Rachles  
18 Michele and yes on everything else.

19 MR. AMODIO: Good and welfare, I have  
20 nothing.

21 I would just like before we go,  
22 condolences to Commissioner Kolodziej who lost her  
23 mother earlier this month.

24 PRESIDENT KOLODZIEJ: And congratulations  
25 to Commissioner Cleaves, the highest vote getter

1 in that Board of Education election. So job well  
2 done, Commissioner.

3 MR. AMODIO: Sad news and good news.

4 PRESIDENT KOLODZIEJ: Yes, exactly.

5 MR. AMODIO: Next meeting is scheduled for  
6 December 17th at 12:00 noon.

7 PRESIDENT KOLODZIEJ: Anybody else going  
8 to be missing the 17th?

9 COMMISSIONER CLEAVES: I'm fine. That's  
10 okay.

11 PRESIDENT KOLODZIEJ: If there's anything  
12 on the agenda that you want us to hold, just give  
13 us a call.

14 COMMISSIONER CLEAVES: I'm absolutely  
15 fine.

16 PRESIDENT KOLODZIEJ: We'll keep it on the  
17 17th. Anything she wants us to holdup, we'll  
18 holdup.

19  
20 (Proceedings concluded at 2:08 p.m.)

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C E R T I F I C A T E

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

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

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

---

LYNANN DRAGONE, CCR  
Certified Court Reporter