

PASSAIC VALLEY WATER COMMISSION MEETING OF

NOVEMBER 28, 2007

(CLOSED SESSION)

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

RIGO SANCHEZ, President

ALAN C. LEVINE, Vice-President

SIMON GRUBIN, Treasurer (Absent)

THOMAS P. DEVITA, Secretary

MARIA MAGDA O'KEEFE

GLORIA KOLODZIEJ

IDIDA RODRIGUEZ

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, CONTROLLER

LOUIS AMODIO, Administrative Secretary

(CONFIDENTIAL)

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Next item would be the reservoir covers.

MR. BELLA: Okay. There's really not much to talk about here. I'd like to, at the end of the meeting, schedule a meeting so I can --

MR. HANLEY: I have something to say. This is another message from them that you folks better tell us how you're going to do this and my answer, which Joe doesn't agree with me, I always say it, you tell us how you're going to help us pay for it.

COMMISSIONER RODRIGUEZ: My point exactly. I'm going to go on record. I have a meeting with Senator Menendez next week on things and he doesn't know, because it's not about this, but I'm going to let him know.

MR. HANLEY: He's already been briefed, but I'm sure --

COMMISSIONER RODRIGUEZ: I'm going to re-brief him because he's got a thousand million re-briefed. I consider myself an ally and friend

of his. I want to tell him, Federal, State governments want all these things done but they don't know where the money is coming from to do them to the tune of eight, 40 million --

MR. HANLEY: How about 80.

COMMISSIONER RODRIGUEZ: Million dollars. Where is this coming from? Are we supposed to go back to our rate payers?

MR. BELLA: This letter in itself. In fact, they really made some concessions in here already. One of the concessions was they're not going to -- it doesn't seem like they're going to force us to cover them. They may allow us to treat the water, which will be substantially less or at least it will give us more flexible --

MR. HANLEY: Wait a minute. In our discussions I heard you say that the post-treatment was going to cost just as much as covering.

MR. BELLA: Well, it doesn't seem that way.

MR. HANLEY: Has that changed?

MR. BELLA: Yes, it has changed.

COMMISSIONER RODRIGUEZ: We want a straight answer.

COMMISSIONER KOLODZIEJ: Give the committee

a chance to digest these things. We'll come back with recommendations, Mr. Hanley. I'm also saying to myself, we are not the only ones in this situation that the effort that you have made to reach out to other people to go after the right legislative branch of government --

MR. HANLEY: I want to say what I said before, which is I cannot possibly do this. This is going, you know, certainly by myself, but even as the point person, I'm going to do whatever I can. This is going to take the Governor -- this is going to take our Congressional delegation, Senators and people like that from other states that we identified. This is big money, but it's doable.

Look at the bill they just passed and overrode the President's veto on. It was a Public Works bill. There's a lot of money. When they tell us they don't have money, they can find it when they want. We have to be the number one priority, not number ten. We can't do that without our Congressmen fighting and our Senators and our Governor.

COMMISSIONER RODRIGUEZ: And I concur with you. I concur with you because, honestly, I don't

care about any other state. And honestly, I don't care about any other Water Commission. I care about Passiac Valley Water Commission. And George has done a good job as Joe, and we will continue to do in supporting this. But this is much, much bigger than what we can imagine and this is going to entail real professional, real service professionals to come in, put a strategy together to support Joe, George and this body, because this is a full-time job.

MR. HANLEY: Trenton and Washington.

COMMISSIONER LEVINE: Joe, does Wanaque have to do this?

MR. BELLA: No, because these are finished. After it's finished, the water is put in. Theirs they treat it, they take it out.

MR. HANLEY: They're raw water.

COMMISSIONER KOLODZIEJ: And Newark, you explained, is part of the ones that will be hit and they have offered some, not solutions, but an easy way --

MR. HANLEY: We had talks but it hasn't come together.

COMMISSIONER KOLODZIEJ: My dealings with government is, you know, I don't like to put all

my eggs in government's basket. In my opinion, they're not going to be trusted. I like to have the best game plan I could possibly have and as you say, my obligations to lobby as much as I can for my entity, but by the same token, I think part of what's explained to me is we've already been trying to position ourselves to control our own destiny for as much as we possibly can. And then go from there until the committee meets.

COMMISSIONER RODRIGUEZ: Unless we're going to bond \$80 million.

COMMISSIONER LEVINE: Why couldn't we leave raw water in one or two of our reservoirs?

MR. BELLA: Point View we do have raw water.

MR. HANLEY: The answer is because the DEP won't let us.

COMMISSIONER LEVINE: But they'll let North Jersey?

MR. HANLEY: Because they never had it to begin with.

COMMISSIONER LEVINE: They never had what?

MR. HANLEY: Finished water. We do. They won't let us decommission that reservoir because it's an emergency supply, am I right?

MR. BELLA: That's correct.

MR. HANLEY: Same with Newark.. Newark is in the same position we are. So is Trenton. But we're the only three in the State.

COMMISSIONER LEVINE: Jersey City.

MR. HANLEY: Because they didn't have it. You're being punished for being more advanced, which is typical.

(Whereupon, a cross table discussion took place)

MR. BELLA: Water goes through the treatment then the pipes. Ours goes into the treatment plant in the reservoir.

MR. HANLEY: That's raw water, not finished.

COMMISSIONER LEVINE: Jersey City is raw water, also?

MR. HANLEY: We have three. We have more than anybody.

COMMISSIONER DeVITA: It says cover or treat.

MR. BELLA: Big concession.

COMMISSIONER DeVITA: How do we get an idea

of what the difference is in 80 million, cover versus this treatment?

MR. BELLA: Well, at some point we're going to have to do a study and that will be part of what --

COMMISSIONER DEVITA: It's not something we can do inhouse?

MR. BELLA: We have some capability to get there, but it's hard for us to do that because we're not dealing with those technologies and the manufacturers on a day-to-day basis.

COMMISSIONER KOLODZIEJ: Isn't there money out there to do that study?

MR. BELLA: That's what we went to Washington for.

MR. HANLEY: We asked for that. We put the request in, we didn't get it. I mean, we'll ask for it again.

COMMISSIONER KOLODZIEJ: Exactly. You got to keep being persistent.

MR. HANLEY: Again, the way I read this, until we get the big boys in the game on our behalf, we're going nowhere.

PRESIDENT SANCHEZ: Joe, George, let me ask you this:

MR. HANLEY: They care. We're number 15 on the list.

PRESIDENT SANCHEZ: I got your point.

Are we intending to go out hiring somebody full time just to lobby on behalf of this?

MR. HANLEY: You have proposals out now pursuant to the Pay-to-Play that, you know, solicited such people. And by the way, actually, I'm glad that came up, because we have all proposals in, you know. Any Commissioner is welcome to --

COMMISSIONER RODRIGUEZ: The response was really for Governor relations and public relations. And I wanted to bring that to the body because I inquired about it. This is something that's going to have to take a state entity and Washington entity to do it. This is not, you know, this is not small money. And when we're looking at the bigger picture of \$80 million that we need to start looking for, it is money well spent to. It's not fun.

First of all, we got to get the message out to those entities, whether State or Federal. I think a lot of the onus is fallen on Joe and George, they have to take care of the Water



Commission, not the government relations piece. I'm going to put it out there that the response was poor. There was only one group that responded to Governor relations, you know. I kind of kept out of it because that's what I do for a living, but I'm going to recommend that we send it to every single lobbying firm and every single lobbying firm in New Jersey. And we also go out again for the public relations, because there's too many wonderful things happening here, too many good things happening here that we can't get a good firm from here that wants to do this kind of work for us.

COMMISSIONER DeVITA: When you say New Jersey and Federal, you mean two separate?

COMMISSIONER RODRIGUEZ: Yeah. You have to. It can't be one entity because the folks in Washington focus on Washington and the folks in New Jersey focus on New Jersey. Because PSE&G is a client of mine. We're one of like four state lobbyists that they have, because it's about regs, legislation, regulations. We're not PSE&G, of course. But I think this is worth the Commission's investment.

COMMISSIONER LEVINE: How come all these

lobbying firms in New Jersey, as you said, plenty of good ones, right, didn't respond?

COMMISSIONER RODRIGUEZ: Because the way it works in this business and I can be very candid...

(Whereupon, a cross table discussion took place)

PRESIDENT SANCHEZ: Counsel, let's determine one thing. Are we going to get the list and we're going to solicit some new proposals? That's number one. That's what we're going to do.

And second of all, I have a question. Since Bill Pascrell is our Congressman from this district, is that a good idea to set up a meeting with him and start with him?

COMMISSIONER RODRIGUEZ: I think we need to hire a lobbying firm.

MR. HANLEY: I think we need the right person to set that meeting up. We met with him, by the way.

COMMISSIONER RODRIGUEZ: I could call Jacky and set up a meeting like this.

COMMISSIONER KOLODZIEJ: Exactly, exactly. You're absolutely right.

PRESIDENT SANCHEZ: All right. Let's go on. Get proposals and get people in.

COMMISSIONER RODRIGUEZ: I will tell you, Mr. President, that what happens is, when I tell you, the person -- what that lobbying person from Washington does, looks at the committee that oversees these regulations and that person makes sure, you know, that person makes sure that first, you contact your New Jersey delegation and on top of that, that New Jersey delegation contacts that committee, plus they enroll to the committees in Washington. That's where we need to go.

MR. HANLEY: If we don't have our delegation and Governor fighting for this, the Chairman and House and Senate are not going.

COMMISSIONER LEVINE: Frelinghuysen, Rodney Frelinghuysen and Steve Rothman were very helpful with the Sewer --

PRESIDENT SANCHEZ: All right, all right. George, counsel, make sure we get some new proposals and we'll take it from there.

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I, LYNANN DRAGONE, License No. XI01388, a  
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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.

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