

PASSAIC VALLEY WATER COMMISSION MEETING OF
MARCH 17, 2010
(OPEN SESSION)

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

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

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

JOSEPH A. BELLA, Executive Director
GEORGE T. HANLEY, Counsel
JAMES G. DUPREY, Director of Engineering
JAMES J. GALLAGHER, Personnel Director
YITZ WEISS, Comptroller
LOUIS AMODIO, Administrative Secretary

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MR. AMODIO: Call the meeting to order,
please.

On the roll.

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

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MR. AMODIO: You have quorum.

The time is 9:46.

PRESIDENT SANCHEZ: I apologize for being late.

MR. AMODIO: All of the requirements of the Open Public Meetings Act have been met. Commission meeting notice have been furnished to all Commissioners, city clerks of Passaic, Paterson, and Clifton, North Jersey Herald News, The Record Passaic County edition and the Commission executive staff with a copy posted on the main bulletin in the Clifton facility.

If you all rise.

Mr. Hanley, would you please lead us in the Pledge of Allegiance.

If you would, please, counsel. Brief swearing in of Commissioner Levine.

3

(Whereupon, Commissioner Jeffrey Levine was sworn in as a Commissioner)

MR. AMODIO: Commissioner Levine has been reappointed for four years.

PRESIDENT SANCHEZ: Before we play ball, I'd like to say, this is a special day for this entity, being Jeff is the son of the Great Levine. Today he must be looking down and feel proud that his son is following his footsteps. I know it's big shoes to be filled but you're on your way.

All right. Man, that's what I wanted to
Page 2

pvmc31710.txt

say so now let's play ball.

MR. AMODIO: First we have consultants here from Medina. They would like to start please.

MR. BELLA: Commissioners, this is our representatives from our team that's doing the study for the reservoir.

We have Bob Medina over here from Medina Consultants.

Al Sessa, also from Medina.

And Sim Nader.

And over here we have Marco Aieta from Carollo Engineers.

4

They're doing the study for the reservoir and storage improvement project and I'd just like to say, it's really timely. After the events of the last four days, clearly, this is the most important project we'll be doing in all our lifetimes. It's probably the most important project since they actually built the reservoirs in 1895.

So, in a sense, it's fortuitous that this happened at this time because it gives a historical respect. It's important to the owner cities as it was when they initially built. So with that, I'll let them go.

MR. MEDINA: Thank you, Joe.

My name is Bob Medina. I'm the President for Medina Consultants. I want to thank you for

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having us here today. I'm here today as part of our company wide quality control process. I'm here really to listen to the presentation and hear your comments and make sure the project is on schedule to your satisfaction.

Also, Wassim Nader, he's our Director of Water Resources and we both make up the quality control team on the project.

I'd like to ask the other members to stand

5

up briefly.

MR. SESSA: Yes, my name is Al Sessa. I'm from Medina Consultants and I'm the project manager for the project.

MR. AIETA: I'm Marco Aieta, I'm with Carollo Engineers. I'm a partner with Carollo and partner in charge of the project.

MR. MEDINA: So, having said that, I'm going to turn the presentation over to Al to bring the Commission up to speed on where we are with the project.

MR. SESSA: I have handouts first I'd like to give out.

MR. MEDINA: That's also why I'm here, I hand out things as well.

COMMISSIONER DeVITA: You're doing it very well.

MR. SESSA: Good morning.

This presentation basically is to provide the Commission with an update on this project. We've been working on this project since November.

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So it's been about five months. I had several meetings, site visitation, et cetera. I've set up this particular presentation on a task-by-task basis with an emphasis on the most important part

6

of the project, the alternatives.

COMMISSIONER BAZIAN: Before you get started, unfortunately, unlike the rest of the Commissioners, I'm brand new. Can you give me a brief overview of what the project is? I know we discussed it in general. I'm not sure I know exactly what's trying to be accomplished.

MR. SESSA: The Commission has three reservoirs and they're under a ACO to develop alternatives.

COMMISSIONER BAZIAN: ACO?

MR. SESSA: Administrative Consent Order by the DEP to come up with alternatives how do we cover or address the issues of uncovered reservoirs. And through this ACO, a scheme was developed. We've had an RFP that went out with certain tasks that we need to deal with and we need to deal with the DEP in regards to various time limits, time frames, et cetera.

MR. HANLEY: Do you understand why it is that they ordered us to do this?

COMMISSIONER BAZIAN: I understand why. I guess my question is, when we're talking about covering a reservoir, are we actually talking about building a roof over this big great lake?

COMMISSIONER RODRIGUEZ: That's why we're doing this. We commissioned this feasibility study. There's all types of alternatives. There could be hundreds of alternatives that we can use to, you know, preserve our water. That's what it is.

COMMISSIONER BAZIAN: I understand that. I'm just trying to understand --

(Off the record discussion)

COMMISSIONER RODRIGUEZ: Commissioner Bazian, you understand?

COMMISSIONER BAZIAN: I get the idea. That I got. Thank you, sir.

MR. SESSA: Again, I set up the presentation on a task-by-task basis and the emphasis is going to be on the alternatives portion of the project.

The first task, Information Review. Over the first several months we gather tons of information from the Commission, from the team, and we put together this information into a technical memorandum regarding facilities.

In technical memorandum number one, and on

this slide number two or page two, it lists some of the criteria that we included in that particular technical memorandum.

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COMMISSIONER RODRIGUEZ: Al, would you care to disclose who you are working with on this project with Passaic Valley Water Commission?

MR. SESSA: We are working with Jim Duprey, Joe Bella. We're working with Laura Cummings and with Kevin Byrne and miscellaneous other people within the operations end of the Commission.

On slide three, Setting Criteria. And January 7th and 8th we had a couple of workshop meetings where in order to develop the alternatives, we needed to set certain criteria. And in those particular meetings we went through the Level of Service, Restricted Level of Service, and some of the Design Emergency Events (DEE).

COMMISSIONER BAZIAN: Again, when you say, "Level of Service, Restricted Level of Service, Emergency Events," what does that mean and what did they come up with?

MR. SESSA: Marco, I'll defer to you on that.

MR. AIETA: I'll be glad to address that,

9

Commissioner.

When you do a project like this, what we're trying to accomplish is storage in the system that allows us to respond to emergency events on top of what we need for every day operation.

All right.

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So we needed to defy an event. So we looked at potential emergency scenarios and the one that turned out to be a historical emergency scenario of significance was the power outage in August, 2001.

During that outage we were without power. The system was without power for about a day. We still had to produce close to a hundred million gallons of water that day for our customers and in that scenario, we were actually able to use storage, combination of storage in connection with other utilities. So we actually took that as the emergency event.

Then we made it a little bit worse. We said it would be totally without any outside power for 24 hours and totally isolated from our sister utilities for sources of water. And we said, okay, under that scenario, we still have to

10

produce at least a hundred million gallons for our customers. How are we going to do that?

So that's the scenario that became the Design Emergency Event.

The Level of Service falls out of that, the hundred million gallons a day. Okay. Now, that's an unrestricted use. You might say, well, gee, in an emergency I'm going to ask my customers to restrict their use and that's what we call the restricted level of service. However, we are designing for at least a decision project, we are designing for a full level of service, a hundred

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million gallons over a 24-hour period in an emergency situation. So that's how that falls out.

COMMISSIONER BAZIAN: Did you come up with, just out of curiosity, what was the Restricted Level of Service for hundred million?

MR. AIETA: Well, there are several -- we propose several to look at. Something like that like 75 million gallons over a 24-hour period and that would be a combination of a hundred million gallons for the first 16 hours and then eight hours at a 50 million gallon a day rate.

COMMISSIONER RODRIGUEZ: Marco, this is an

11

update, right? This is a work in progress. The feasibility study is ongoing. This is mid -- I'm just asking, we're midway, quarter way in, or what?

MR. SESSA: Probably at a 30 percent point.

MR. AIETA: Yes.

COMMISSIONER RODRIGUEZ: I want to make sure what point we were at in the feasibility study.

MR. AIETA: In a few minutes we're going to talk about the alternatives and what are the options and how we narrowed it down and now evaluating the narrowed down list. We'll get to that in a minute.

COMMISSIONER LEVINE: What was the

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original guidelines before this? I wasn't -- when an RFP went out, I wasn't on the Commission. What were they looking for originally?

COMMISSIONER DEVITA: Can I make a suggestion? I don't want to interrupt.

COMMISSIONER LEVINE: I'm going to get the RFP.

COMMISSIONER DEVITA: I think they have a ways to go. We all have questions. I think if we

12

keep asking questions.

COMMISSIONER RODRIGUEZ: I want to make sure that we understand they've been on the project for like four months and this is ongoing so we're not looking for answers that we would get in July or September.

COMMISSIONER DEVITA: This is a huge.

MR. AIETA: This will impact everything you do from this point forward. I want to make sure I answer your questions.

The reason that we have a Consent Order that we're dealing with has to do with a regulation that's called The Long Term Two Service Treatment Role. And it requires if you have finished water in an open reservoir, open to the atmosphere, that you must either eliminate that reservoir or cover it.

COMMISSIONER LEVINE: There has to be two alternatives to cover. Where does it say there's alternatives? The EPA is all right with that?

MR. AIETA: Absolutely. Absolutely. The
Page 10

pvw31710.txt

only thing that New Jersey DEP required that we evaluate covering the reservoirs and that's simple and then we can show them all the other alternatives and we'll get into --

13

COMMISSIONER LEVINE: All right. Thank you.

PRESIDENT SANCHEZ: Is that more or less the cost efficient way to do it?

MR. AIETA: If you could wait for a preview of coming attractions, we're going to talk about that in just a few minutes. We'll talk about the alternatives and how we picked them.

MR. MEDINA: As we said, this is a progress meeting and we're developing those alternatives, too, as we speak. That's why I think it's very important that we do get your questions and concerns so we can incorporate them into the next phase of our project.

MR. AIETA: We have two more slides and then we'll talk.

MR. SESSA: Slide four, task three is Site Mapping. And that is composed of Aerial Mapping and Topography, Boundary Survey, and Bathymetric Survey.

Aerial survey is basically complete.

Topo is fairly complete.

And boundary survey we're just waiting for a few more deed searches and the boundary will be completed.

And Bathymetric we're in the process of scheduling right now. We're waiting for the reservoirs, for the freezing to subside and we're at a good point now I think that we'll be able to start that particular task.

Task four is Alternatives and that's been broken down into four categories.

Alternatives Development and Refinement, Cultural Resource, Meetings with DEP and the Feasibility Study Report.

I'm going to skip this particular sheet and we're going to go directly to Marco's presentation on the alternatives. He's simply going to reiterate what's on this particular sheet just to speed things up here.

MR. HANLEY: Excuse me, one quick. Cultural Resources, that's where you find out if there's any Indian sites and things like that?

MR. SESSA: I'm sorry?

MR. HANLEY: Cultural Resources --

MR. MEDINA: Yes.

MR. SESSA: Yes, yes.

MR. AIETA: We're on slide number seven, which are really Development Improvement Study Goals.

The first one is to find the optimum combination system, emergency storage and backup power to meet the worst case scenario where normal

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water deliveries can be maintained.

And we talked a few minutes ago, Commissioners had questions about what that design emergency event is and we'll go over that in a minute again.

The second is to replace or treat the existing uncovered storage to meet the conditions of the Administrative Consent Order and the New Jersey DEP guidelines for system storage volume.

The New Jersey DEP has a minimum storage volume that you can have in your system for fire flows and daily flows and emergency storage.

Finally, develop an implementation program including a budget and schedule with the preferred solution that's consistent with your capital budget.

So what we'll do is put together a schedule and budget and fold it into your capital plans and move forward with that.

Slide 8, the Design Emergency Characteristics. We talked about this briefly before. Total outside powers off-line for 24

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hours.

And, Joe, if you have any comments on any of these things, please.

MR. BELLA: Twenty-four hours is liberal but after --

COMMISSIONER BAZIAN: Liberal meaning?

MR. BELLA: Not enough.

pvw31710.txt

MR. AIETA: Not enough.

COMMISSIONER BAZIAN: Conservative.

MR. BELLA: Depending on which side of the

--

COMMISSIONER BAZIAN: That's why I asked the question. Sounded like he said too much.

COMMISSIONER RODRIGUEZ: Oh, okay.

MR. AIETA: When we did our analysis, we were looking at the worst case scenario that we were able to identify historically. The last couple of days may add some new light on that particular analysis.

The second item, there's no finished water available from system interconnections.

And this is a pretty stringent requirement to put on top of our design because, in fact, we do have lots of connections with our sister utilities.

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17

MR. BELLA: I might add at this point that was the scenario that happened over the weekend. There was no other utilities that could provide us with water.

COMMISSIONER RODRIGUEZ: That's scary.

MR. BELLA: Yes, it was very scary.

PRESIDENT SANCHEZ: By the way, while we're on the subject. On Sunday I went down to the plant --

MR. BELLA: We'll talk about that. I don't want to distract.

PRESIDENT SANCHEZ: Thank you.

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MR. AIETA: The third item that we put on our conditions for design were that, "All pumping and treatment required backup power for the duration of the outage."

In other words, we can get no power and no outside power other than what we generate ourselves.

The fourth item was the, "Wanaque North supply is available."

And this is absolutely critical. We're assuming that that supply is still available to us.

The other items are the duration's 24

18

hours and the Level of Service flow is a hundred million gallons over that 24-hour period.

Next slide.

So if we think now about what are the options that we have available to us to work on this ACO and deliver the level of service.

These are the options.

The first one is we can treat it at the current reservoirs.

So EPA requires that that water in that open reservoir is now raw water again, so it has to be treated to be able to be safe for consumption. That's one option.

The second is on-site storage at the treatment plant itself.

We put something at Little Falls.

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The third is we could provide back-up power in the distribution system to remove storage, back-up power in the distribution system to be able to move water to our customers during this emergency.

The fourth is to cover existing reservoirs and continue operation that we currently have.

Fifth is a new storage tanks in the system.

19

In other words, remove the uncovered reservoirs and replace them with storage tanks.

Next one is back-up power at the main pump station for pumping at Little Falls Treatment Plant.

Now we're saying okay, not back-up power in the distribution system but back-up power in the treatment plant.

And the final, of course, is a combination of these things, which in a minute you'll see is where we ended up.

Look at slide ten, just on the surface we recommend eliminating three of the options.

The first is filtration at the reservoir outlets, and there's a list of things here. But the real reason is that you have to build a new filter plant up there that's bigger than the one you already have. That just doesn't seem to make any sense on the surface.

The second is UV at the reservoir.

Again, ultraviolet light is there to
Page 16

pvw31710.txt

disinfect the water. It could meet EPA regulation but there could be a point in time where EPA would say that's still raw water in that reservoir and now we want you to not only build a UV plant but

20

also build a solar plant as well. Plus, it's expensive and there's really no possibility for centralized corrosion control which in terms of water quality appears to be your biggest issue right now. So that one we eliminated.

The third one we eliminated was the on-site storage at the Little Falls Water Treatment Plant. The reason is there's just no place to put it. There's no space there.

If there's any questions, please jump in. I know you're not shy.

PRESIDENT SANCHEZ: Basically, you know, I guess as a body we have two concerns. One, how we're going to provide quality water at all times to our citizens and rate payers; and second of all, the finance of this is a great, great certain. So keep those things in mind. We want to accomplish those two goals, how we're going to do that. And third of all, I guess the Commission is going to find resources, how we're going to pay for this. I mean, it's not your part --

MR. AIETA: Well, it's important that we provide you, when we say the "Optimum Solution," it's a solution that will meet all your needs at the lowest possible cost. That's our goal as

well.

COMMISSIONER RODRIGUEZ: That's really important, Marco, because this body is the body that's going to sign off on whatever the cost is going to be.

And I think, Yitz, we had a conversation, one of the things that the financial folks that are consultants to us had gotten together and put some of these costs, am I correct, into our five year plan, into our capital plan. That was very prudent, you know, under Joe and Yitz and Howard and NW and whoever else took part in this. So we've done that.

I thinks it's important. The alternatives solutions are important because when I first came on three years ago we were talking about covers and the price, I mean, I almost fell out of my seat, you know.

MR. AIETA: We'll see some of those prices in a minute. Hopefully, if you fall out of your seat again, we'll pull it for you.

We're going to talk about some of the pricing in a minute. I want to prewarn you. The pricing we're going to talk about is really what we call reconnaissance level pricing.

COMMISSIONER RODRIGUEZ: Raw numbers.

MR. AIETA: Please don't latch onto a number here and think it's the real number,

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because it's not. It's a number we use in comparison so we can select the alternatives to see what makes sense.

COMMISSIONER BAZIAN: Are they in effect wags?

MR. AIETA: Not wags. They're what we call class five. They are plus 100 percent minus 50 percent estimates. That's how big they are. So, I mean, it's not a wag but it's a wide range.

COMMISSIONER RODRIGUEZ: You have to realize. This is construction. I mean, ultimately, you can do any kind of designs that you want. I mean, people that are in business would know this. Ultimately, you can have the best alternative but if the market is dictating a price at the time, that's the price, because this is construction.

MR. AIETA: Commissioner, this is a wonderful opportunity to bring up a point and if I'm taking too much time, please, just let me know.

But, you know, we bid a lot of projects

23

just like this all over the country and I got to tell you, we're getting bids that are 40 percent below engineer's estimates today. That means you're in a great position. It's a buyer's market to get something built. If there's a way to move this ahead at a pace that allows you to take advantage of that situation. It won't last long.

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My estimate is another 18 to 24 months before that environment is over.

COMMISSIONER LEVINE: Let me ask you. The continuous coverage of the filtration of the water system, if something happens like power gets shut down, PSE&G, is that the ultimate goal what we're looking for?

MR. AIETA: Absolutely. I think you got it right. Let me cast it slightly differently.

The system you have now is 250 million gallons of storage in it that you can use plus your connected to your sister utilities.

On an average day you're using somewhere around 60 to 80 million gallons. So you have a couple of days worth of storage in the system, if you can't run your treatment plant, if you can't get any more water. So you got a lot of buffer, a lot of reliability.

24

COMMISSIONER LEVINE: Then the old water from the same --

MR. AIETA: That's right. We have to make sure that we give you a system that meets the requirements and doesn't compromise that.

COMMISSIONER LEVINE: Something goes down, the water that's not in on the storage tanks is raw, we can refilter?

MR. AIETA: You'll still have your filter plants. The water you'll put in the storage tanks will be finished.

COMMISSIONER LEVINE: Right. But the
Page 20

pvw31710.txt

other water is in the reservoirs --

MR. AIETA: Well, it depends. One of the alternatives would be to re-filter that water. We're suggesting that that's off the table. It's way too expensive.

COMMISSIONER LEVINE: Wouldn't that be an option.

COMMISSIONER RODRIGUEZ: That's what we're doing now.

MR. AIETA: Perfect question. Let's look at slide 11 and that will answer your question.

These are the eight alternatives that we developed given the tools we have to work with.

25

The first is to cover all three reservoirs. Simple.

COMMISSIONER BAZIAN: Just so I can get a picture. When we talk about covering a reservoir, are we talking about building a roof over the entire lake?

COMMISSIONER RODRIGUEZ: It could be a floating.

MR. AIETA: That's a very good question.

There's several ways to cover reservoirs. The one would be the most economical for your reservoirs are what's called floating covers. It also requires lining the reservoir, because to make it secure, I got to prevent any water getting into it. So I have to actually drain it and line it so that no ground-water comes in the reservoir

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and then put a cover on it. It's like making a big plastic liner for it, like a swimming pool liner, and swimming pool cover on top.

Now, it's got to be engineered and it will last about 15 years before you need to replace it and that's what covers are. There's floating covers. There's fixed covers. There's a bunch of things, but the reservoirs that you have will be floating covers.

26

COMMISSIONER BAZIAN: Okay. Right now water gets into our reservoir from rain, runoff, et cetera. We cover it, how does water get into the reservoir?

MR. AIETA: Through the pipes.

COMMISSIONER BAZIAN: The pipes get the water from where?

MR. AIETA: Treatment plant or Wanaque North.

COMMISSIONER BAZIAN: It's a great big storage tank.

MR. BELLA: You have a big main break in your system all the time. Basically water's coming out of the pipe, back into the system, back into the pipe over here with this big main break or big hole, sewer, and that's why it has to go.

MR. AIETA: Its open to the environment.

COMMISSIONER BAZIAN: Joe, I think I'll meet you privately to go through. I need more detail.

COMMISSIONER RODRIGUEZ: Commissioner,
Page 22

pvw31710.txt

have you done a tour of the plant?

COMMISSIONER BAZIAN: Not yet. I'm a little busy.

COMMISSIONER RODRIGUEZ: I would recommend

27

it.

After this, I would make a recommendation for the next presentation to be at the plant.

MR. AIETA: Just to give you a flavor of this. The issues we're dealing with are chronic disease issues, cryptosporidium and giardiasis. And these diseases are borne by spores that can get into that open reservoir. We can remove them at the treatment plant. We can take care of that but as soon as we open the water to the atmosphere again, ducks, geese, whatever it is, poop in the reservoir. I'm sorry to say make it brutal, but that's what happens.

PRESIDENT SANCHEZ: Let me ask you. You say how good the market is. Do you think we're going to be ready for 18, 24 months to get prices?

MR. AIETA: Depends on your resolve around this issue. We know you have to do it. It's a requirement of the regulations. You've signed a Consent Order that says you will do it. It just depends on how quickly you want to move forward, you feel like you can move forward. I think that's a decision you have to make around your financial issue.

It could be designed and ready to bid in

that amount of time.

MR. HANLEY: Didn't the DEP give us deadlines?

MR. AIETA: For the ACO, but not --

MR. BELLA: Deadline for this study and then will come in the future.

MR. HANLEY: So we'll get deadlines.

MR. BELLA: Yes, in fact, EPA --

COMMISSIONER RODRIGUEZ: DEP and EPA, I don't know in this day and age are going to be on the same page.

MR. AIETA: Let's go through the alternatives.

MR. MEDINA: Just answering the Chairman's questions, to reinforce what Marco's saying. The nationwide, the same is happening in New Jersey, transportation authorities, water authorities, the prices that are coming in are 40 percent below what we would have estimated in a year or two.

MR. AIETA: The contractors are hungry, very hungry.

PRESIDENT SANCHEZ: Two years the market might change.

MR. AIETA: That's exactly my point. I think we got 24 months in the bidding environment

at the most before things start to take off.

So the alternatives.

Cover all three reservoirs.

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Alternative number two, cover the Notch Reservoir and eliminate New Street and Levine Reservoirs.

Number three, replace the reservoirs with tanks to meet operational needs and emergency storage.

Alternative four, eliminate the reservoirs, provide minimal tank storage for daily needs, provide back-up power.

Five, cover the Notch and add tanks at New Street and Levine.

Six, cover the Notch and provide back-up power.

Seven, replace the reservoirs with tanks for operational needs and some portion of emergency storage, and use back-up power to provide the remainder of the emergency needs.

Option eight, cover the Notch, provide only operational storage at New Street and Levine and provide back-up power for one train of the filter plant. That power can also be used to run the pump station.

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30

So you ask yourself a question, if each one of these alternatives cost exactly the same amount, how would I pick amongst them? And that's what the next slide talks about.

This is the selection criteria and how much importance we put on each one of these selection criteria.

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I don't want to go through each one of them. You can at your leisure. Water quality, operability, redundancy, distribution system recovery, plant recovery, how well does the option support regional reliability, does it meet the Administrative Consent Order, is it constructable, can it be maintained, and does it provide the flexibility I need to operate the system.

So these are the things we said, okay, if they all cost the same, how would we pick.

The next slide shows us how we pick. And the team that was involved with this included Joe, Jim, myself, Al, and a number of other staff members, Laura, and a number of other operators. Kevin was involved in this. And so we had basically a day and a half discussion about each of these alternatives and how well they met this criteria.

31

Here's the ranking. If you look at number 11, you'll see the criteria on the left side and color coded to match the colors in the bars on sheet 13. And you can see the alternative names down at the bottom. Along the left is what we call the Non-Economic Score. If they scored the best in every criteria, their Non-Economic Score would be one. So you can see that alternative three is the highest rank alternative. Alternative two is the lowest ranked alternative.

And you can go back and look at the alternative definitions if you like, but if you

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bear with me pretty quickly you'll see what we did.

The next slide, 14, is the preliminary costs that you've been asking about. Again, I need to reiterate, this is a level five accuracy cost. These are not the real numbers. They're only relative numbers. So these are the alternatives listed, with a cover and lining cost, if they include that, the storage tank cost, the emergency power back-up cost, and total cost for each alternative. And they're on that table 14.

But the real interesting slide and the most interesting slide for today is the next one,

32

slide 15. I'll give you a moment to take a look at this. It's exactly the slide we saw before with the alternatives and the rankings, but the red triangle, red diamonds above, the red diamonds above are the costs associated with each of the alternatives. And the scale on the right is the millions of dollars and number next to them are millions of dollars.

So the first alternative, 76 million is the highest rank and highest cost.

The second all alternative, alternative seven, if you look at it, it's a little less in terms of the evaluation criteria, but it's a lot less in terms of cost.

Alternative eight, a little higher in cost, little lower in value.

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Alternative four, the absolute lowest

cost.

And then the other alternatives, five through alternative two, they are low in ranking but high in cost. So you tend to eliminate those immediately.

So the next slide shows us what we ended up with. These are the three alternatives we're working on right now, alternative seven,

33

alternative eight, and alternative four.

You can see the relative costs are a low 28 million to a high of 64 million. Again, relative cost, plus the 100 minus 50 in terms of the level accuracy.

COMMISSIONER LEVINE: Can I ask you a question?

Is taking into consideration in the future what the EPA might change if they change rules and regulations? I didn't see that anywhere. If they change the rules and regulations that they cover to the broadest horizon, whatever, if it could change.

MR. AIETA: If you look on the criteria, the top one is water quality. That evaluation did take into account could we, with our crystal balling what the regulations might be, which of these alternatives would meet those regulations into the future. So, yes, we did take that into account.

COMMISSIONER LEVINE: which one out of
Page 28

pvw31710.txt

these meets to the highest expectation?

MR. AIETA: You can see the large blue bar here is water quality and that's how much water quality.

34

COMMISSIONER LEVINE: I'm not talking the difference of water quality. I'm talking about numbers on a graph or how much more one is than the other.

MR. AIETA: Of the three alternatives that made the short list, alternative seven, eight, and four. Alternative seven and four are the highest in water quality and alternative eight is less in terms of its ranking.

COMMISSIONER LEVINE: That's if they stringent the rules, this will last longer.

MR. AIETA: Exactly. Potentially. It's our engineering opinion that, yes, these two have more flexibility to meet future regulations.

PRESIDENT SANCHEZ: I have a question.

Can you combine the security aspect of it in this study? Are we going to have to, whatever security we need to do, to keep it safe, whatever we do. Can we incorporate that in this?

MR. AIETA: It is included in terms of -- let me backup a second. Any alternative that will be selected will have security in it, will be covered. So it's a non-differentiator. Every alternative is going to have the security requirements of that alternative. So every

alternative gives you the same level of security.

PRESIDENT SANCHEZ: I just want to make sure that that's included.

COMMISSIONER RODRIGUEZ: The cost factor.

MR. AIETA: Absolutely. Every alternative will have what it needs. For example, the tanks they will be in a secure area within the property that you own, under camera surveillance, if that's what is deemed necessary.

PRESIDENT SANCHEZ: That's what we need to do because we don't want to spend this much money to do this and spend money to go out and do security.

MR. AIETA: Absolutely. The design will include that.

COMMISSIONER BAZIAN: If I may ask a question.

When we talk about eliminating the reservoirs, are we saying we are no longer going to be using --

MR. AIETA: That's a really good question. We're struggling with that right now. Let me give you an example.

The Notch is a difficult situation because it's very expensive to cover in line. And so

we're thinking, okay, gee, if we eliminate the Notch as a reservoir in your finished water system, what are we going to do with it? well, we

pvw31710.txt

can put some tanks inside the Notch. We can drain with the tank there. That means we have to breach the dam again and also we have to have storm water flows, the ability to manage the storm water flows. So the reservoirs as they currently stand, these open reservoirs, will likely be used in a combination of scenarios under this storm water flows and those types of things.

COMMISSIONER LEVINE: That creates extra studies on the dams and create later problems later on.

MR. AIETA: If you have to penetrate that dam, that's a big problem.

COMMISSIONER LEVINE: That's big money. Why would you want to do that?

MR. AIETA: We're looking at alternatives to put on the bluff above there but the bluff above is all granite. It's a very difficult construction. So we'll evaluate the two.

PRESIDENT SANCHEZ: I have another question. What about the groups, in this type of -- because we have a lot of wild animals to --

37

COMMISSIONER BAZIAN: Environmental impacts, that was my next question.

COMMISSIONER DEVITA: The DEP will take care of it.

MR. AIETA: There are some potential environmental impacts, but there's certainly -- they're reasonable to handle. The biggest one is

pvw31710.txt

storm water flow. So anything that might happen that will modify or cause a problem in terms of storm water flow we'll have an issue.

MR. HANLEY: Marco, is that because they essentially operate as retention basins?

MR. AIETA: They do. They retain the flow. In terms of dams and dam safety, you have to deal with a breach of a dam and that kind of thing. So you have to have a certain amount of storage and certain elevation and all that kind of stuff. So if you don't use the Notch anymore, you're still going to have the dam safety problem for the Notch so you have to deal with that issue.

MR. MEDINA: As part of our study, we'll be meeting with the DEP to discuss all these issues. They're going to be kept in the loop on the environmental issues, whether it's wetland, storm water, dams, any of those environmental

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38

issues will be discussed.

MR. AIETA: Slide 17 is really the summary of the short listed alternatives. They're the ones in black.

Alternative four, as you recall, was to "Eliminate the reservoir, provide minimal tank storage, and provide back-up power." That's the lowest cost alternative.

But it also has some draw backs to it, operability, maintainability. The level of risks it would take to actually provide water during emergency events would be fairly compromised.

pvw31710.txt

MR. HANLEY: Sorry, but Commissioner Sanchez brought up a point that I would phrase this way.

In the process of your study, if it becomes feasible that we would not utilize the reservoirs as they are utilized now, therefore, they might, a portion of them or all of them become surplus land, do you factor that into your cost estimate somehow? You may conclude that we have to use all and we can't give any out. But in factoring the cost, it might be that we were to give up half of whatever reservoir, especially the big one, that then becomes an asset that we can

39

sell.

MR. AIETA: It's absolutely an asset.

MR. HANLEY: Therefore, reduces the cost.

MR. AIETA: Right now what we're doing is an engineering cost estimate. It doesn't include an analysis of the value of that property in some other use. So we're not commissioned to do that. We're not doing that. If you want that done, we can certainly include it in the analysis, you can include in a separate study in the analysis.

MR. HANLEY: That might change which project is the most expensive?

MR. AIETA: Absolutely it would. It could also change where you might put the tanks.

Remember, if you're talking about the Notch and you're saying, hey, I'm going to sell

pvmc31710.txt

this property, how do I make the property less valuable. Do I make it most valuable by putting the tanks on the Notch Reservoir or do I put them up on the bluff --

PRESIDENT SANCHEZ: That's something that the Commission needs to determine. I think it depends on the cost, how much is it going to cost to determine that. I think that is something we should look into as a body because if that's a

40

possibility, that's something we should look into.

MR. MEDINA: Commissioner Rodriguez brought up that you have a financial consultant on board that is working on the financial issues of the ultimate project. I think that's a good component for the evaluation of the appraisal of the land as well as the search for funding. You raise the issues of security, Homeland Security funding and other funding sources that we'll be looking at in terms of the cost of the project and what are the benefits, what are some of the assets that you have.

COMMISSIONER RODRIGUEZ: That's part of the feasibility piece.

COMMISSIONER BAZIAN: And check with the State, see if they're interested in acquiring the land open space.

PRESIDENT SANCHEZ: We've gone through that process, believe me, they offer you --

COMMISSIONER RODRIGUEZ: They offer you 500,000 and then when all is said and done you're

pvlc31710.txt

looking at maybe 50,000.

COMMISSIONER BAZIAN: We may not.

COMMISSIONER KOLODZIEJ: We need to discuss that further to decide if we want to do

41

that.

COMMISSIONER RODRIGUEZ: That's something totally different.

COMMISSIONER KOLODZIEJ: And you're suggesting that that should be carried on our agenda.

MR. AIETA: All right. So final slide that I have is slide 18, which are Current and Near Term Activities. Where are we in the process.

We have short listed down to the three alternatives which from an engineering prospective we think are the best alternatives you have available to you. We're preparing the site layouts of the short list alternatives and that means, where on the site would we put things?

For example, we're looking at back-up power for the main pump station. The best place to put that that we determined so far is in the old boiler building or where the old boiler building is. So that alternative, while not included in these costs, would include the cost to demo that building and build a back-up power station there.

We're looking at that cost associated with

putting in tanks. These are large tanks, 15 million to 20 million gallon tanks, 30 million gallon tanks. These are big, big tanks. So the question is, gee, where are you going to put them.

COMMISSIONER LEVINE: How big?

MR. AIETA: Sixty to 80 feet in diameter. They're not elevated. They're ground level tanks and they'll be circular. They could be buried, just depends on where we are looking.

We're looking at those alternatives right now. Don't have much to report. We're still trying to figure out where best to put them on the sites.

COMMISSIONER RODRIGUEZ: This is all really good and informative and I want to commend my colleagues because this is a thinking body, because ultimately our responsibility is to our rate payers, our owner cities, our rate payers.

But I want to suggest, having gone to conventions and having sat through presentations at various vendors, while they were bidding on the projects, what I'd like to do is propose at the next update we do it at the plant. Because I'd love for my colleagues to see the slides on how this is being done in the different parts of the

country.

When they start talking about alternatives in terms of storage tanks and especially, I mean,

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there are storage tanks and I think Bobby and I saw them, where they have tennis courts and they're in the middle of the park with tennis courts on top. It's really genius what they can do. If you don't really see it in a picture, you can't really grasp the idea.

No golf course.

COMMISSIONER LEVINE: The storage tanks from the ground and stuff like that --

MR. AIETA: The storage tanks are fairly reliable and low maintenance. The cover is a different story. The maintenance on the covers is quite high and they have a relatively short life.

COMMISSIONER LEVINE: How much does the reservoir hold right now, like Great Notch?

MR. AIETA: A hundred fifty-eight million gallons.

COMMISSIONER LEVINE: How many tanks do you need to fit that much water in it?

MR. AIETA: Well, it's not quite that straight forward, Commissioner, because the Notch has a certain amount of water that you can use and

44

there's an amount of water in there that can't be used.

COMMISSIONER LEVINE: How much is usable?

MR. AIETA: The amount that's usable now is probably close to 80 million gallons.

COMMISSIONER LEVINE: How many tanks is that?

pvw31710.txt

MR. AIETA: Well, we're thinking now two 30 million gallon tanks up there. So we would replace that with about 60 million gallon --

PRESIDENT SANCHEZ: What percentage, 80 million, would be what percentage? Sixty percent?

MR. AIETA: Yeah, about 60 percent.

COMMISSIONER BAZIAN: If you said 158 million gallons, 80 million gallons is approximately 50 percent, 158 to 80 --

MR. AIETA: Approximately 80 percent is usable and we're going to replace it with about 60 million gallons. You say, well, gee, why wouldn't we replace it with 150 or 80. The reason is we can provide reliability in other ways by providing back-up power, by providing information management systems, SCADA systems, within the system that lets us know what's happening so we can provide more reliability with other tools that we have now

45

that they didn't have a hundred years ago.

COMMISSIONER LEVINE: Say we find new municipalities that want to get water from us, does this limit us how much water we can carry, that we can sell no more? This is the most we can sell? There's no more room after that?

MR. AIETA: Very interesting question. I don't think it really limits to what you can sell but it may change the way you contract for it because you may have to contract for uninterruptable supply or interruptable supply.

For example, if you have an emergency,
Page 38

pvmc31710.txt

where is your responsibility? Is it to your owners or is it to the people you wholesale to? You may have to contract differently if you go beyond --

COMMISSIONER DEVITA: Doesn't it say now our contract --

COMMISSIONER RODRIGUEZ: We have to live up to our contracts now because we have some contracts for like 20 years and all of that is taken into consideration.

MR. BELLA: All of our contracts are interruptable.

MR. AIETA: There's a limit on what you

46

can pump and how much you can get through the pipe.

MR. BELLA: What limits us is not so much this, it's what we are naturally entitled to coming down the rivers.

COMMISSIONER DEVITA: It's allocation.

MR. BELLA: That's allocation, that's true.

COMMISSIONER LEVINE: Will we be able to hold it all?

MR. AIETA: Absolutely, yes. Even doing this, we'll be able to keep it.

COMMISSIONER LEVINE: In the future I guess add a tank.

MR. AIETA: If you needed to, you can certainly can.

PRESIDENT SANCHEZ: What about future sales?

MR. BELLA: This is all incorporated. It all naturally flows into the study, as we discuss it, as we see what our historical records are. It all flows into the study and becomes part of this through this process. It's all taken into consideration and won't limit us in terms of what we can sell in the future. This will be designed

47

into it.

MR. AIETA: Commissioner, have I answered your question?

COMMISSIONER LEVINE: Yes.

MR. AIETA: So we now have our short list of alternatives. We are including the site layouts, how they'll fit in, getting together an equipment list, going to do a much more detail cost assessment at this point so when we come back to you next time, we'll have a fairly good idea of the cost of these three alternatives.

MR. SESSA: Sheet 19, the next part of alternatives is the Cultural Resource Survey.

We are utilizing Grubb Associates to form the Cultural Resource Survey and the purpose is to assist the impacts of each of the alternatives on the cultural resources of the three properties.

MR. MEDINA: And to clarify, you know, some Commissioners asked earlier, cultural resources refers to any artifacts, any historical nature, archeology. There's a more thorough

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analysis of any of the sites we're making --

COMMISSIONER BAZIAN: Are you expecting to find some Egyptian --

MR. MEDINA: Right, right.

48

MR. HANLEY: You won't laugh if they find them.

COMMISSIONER KOLODZIEJ: They did in Clifton.

COMMISSIONER BAZIAN: The question was, do we need to do an environmental impact study? Is anything that we're doing, do we have to evaluate any impact on the environment, wildlife, runoff, fish, whatever it is? Is that part of the study?

MR. MEDINA: No, it's not part of the study. As I mentioned earlier, we will be coordinating with the DEP.

COMMISSIONER BAZIAN: The DEP will be doing this?

MR. MEDINA: We'll get input from them. If there's any existing data identifies any sort of endangered species or anything like that --

COMMISSIONER BAZIAN: So, in other words, we're relying on the DEP to come back to us with that information?

MR. MEDINA: No, just existing information. I'm not saying they're doing a study. I'm saying that we're going to be through their records to see, do they have anything on file. And Richard Grubb & Associates, they'll be

handling the development resources. They'll do a thorough review on that information and obviously a lot of sites that we're looking at are either upland sites or, you know, we're looking within the reservoir, open water sites. So we'll be dealing with the DEP.

MR. NADER: It's not part of our contract in other words, to do wet lands. That's part of the design.

COMMISSIONER BAZIAN: My only concern was, if we don't do an environmental impact study, and I don't know, my technological brain tells me the sooner you get this kind of information the better.

MR. NADER: You're absolutely right. We may want to advance. We may want to advance that environmental issue to now instead of later.

COMMISSIONER RODRIGUEZ: You're meeting with the DEP to see what they have, they have existing information. We don't know exactly.

COMMISSIONER BAZIAN: We don't know what changes. The knowledge of environmental changes, everything changes over time and I'm concerned that we're going to choose something and then go down a particular road and spend money and that at

some point we're going to come back and say, ooh

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Commissioner Levine's question. I'm thinking not only in the past, he must have read my mind, how do we conform? I think now we stay at the present.

MR. HANLEY: Your environmental study, correct me if I'm wrong, gentlemen, is going to depend on which alternative we decide to choose, which alternative we choose is going to control how much land is disturbed and which land it is.

COMMISSIONER RODRIGUEZ: Right.

COMMISSIONER BAZIAN: No, sorry, but I was actually thinking that maybe it goes the other way. Because perhaps if we evaluate the environmental impact of the different alternatives, that might be a factor in which alternative we choose.

In other words, if we choose an alternative then do an environmental impact, we might hit something, then we do something preliminary first to get an idea, is there a potential pitfall.

MR. MEDINA: As part of our study, we are

51

doing exactly what you're saying. We're doing a preliminary evaluation of the environmental impacts and what information is there. We're not doing "EIS." EIS has very specific criteria. That's the distinction, we're certainly not ignoring the environmental issue. We're meeting with the DEP hand in hand working with them and

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collecting as much information as we can as we developed the alternatives. We're not doing a "EIS." That's the next phase. Once you own it down to the three or down to the one, we have, I think enough, you know, these three alternatives, then we can identify the environmental issues and then bring it back to the Commission if we find anything.

COMMISSIONER BAZIAN: So long as we've done enough to get an idea so we don't get bitten later on because we didn't ask questions.

MR. MEDINA: Understood.

MR. SESSA: The next part of the alternatives is the meeting with the DEP. As part of the ACO, meetings are to be held with the DEP at 30 percent, 80 percent, and 100 percent marks. We do have a meeting scheduled, the 30 percent meeting scheduled for April 1st and there's an

52

80 percent tentatively scheduled for June 18th, and 100 percent scheduled for August 3rd.

Feasibility study, the ACO says that this feasibility study, we need to have an 80 percent feasibility study ready. A draft ready for the 80 percent meeting with the DEP and then as per our agreement with Passaic Valley, the final study is due September 9th, 2010.

COMMISSIONER BAZIAN: Are we on target with that?

MR. SESSA: Yes.

Task five is Financing Assistance. This
Page 44

pvlc31710.txt

will be a separate study that we perform and we'll look at potential funding, options for the various alternatives, and also do an analysis regarding the impact on the retail and wholesale billing rates.

Task six is the Newark/Great Notch Alternative. And that also is a separate study in itself where we look at two options where Passaic Valley and the City of Newark go into an agreement where the Cedar Grove Reservoirs abandoned and Passaic Valley and Newark rely on Great Notch and second option is vice versa of that.

Right now we're just basically receiving

53

information from the City of Newark in regards to the Cedar Grove Reservoir. This information just started to come in, which is good. I was a little concerned that it might be delayed there, but that information is coming in.

And the last four tasks on sheet 24, Additional Meetings, not required at this time.

Conceptual Design is not into play yet.

Assist Passaic Valley in Proposal Evaluation.

Task 10, Allowance, these don't come into play right now.

MR. MEDINA: Thank you. I appreciate, and, Marco, I appreciate your presentation today.

Again, as I said, I was here to listen and get your input. I'm happy with all the comments

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we have. A lot of times we go before a committee and we don't get a lot of input. So I do appreciate all your comments.

I want to open it up again one last time, if we have time, if there's any other questions you might have for our team, I'll be happy to answer them.

PRESIDENT SANCHEZ: My position based on the meeting you're going to have with the DEP by

54

the fall I think we should have something concrete on this.

MR. MEDINA: Yes.

PRESIDENT SANCHEZ: Is that the goal here?

MR. SESSA: Yes. By midsummer. The 80 percent meeting with the DEP is scheduled for June 18th, so our study should be 80 percent complete by that point.

PRESIDENT SANCHEZ: Unless the DEP comes back with some concerns and questions, I guess pretty much you're looking to be tied by the --

MR. BELLA: Commissioners, might I suggest that the Commission have a special meeting at that time.

COMMISSIONER KOLODZIEJ: Yes.

MR. BELLA: In June or shortly after and just deal with this issue.

COMMISSIONER KOLODZIEJ: Yes.

MR. BELLA: And we can do that down at the plant, a better presentation to --

COMMISSIONER DEVITA: Just dealing with
Page 46

pvmc31710.txt

this?

COMMISSIONER RODRIGUEZ: We'll see the slides and pictures.

PRESIDENT SANCHEZ: We'll set it up at

55

Little Falls. All right.

Thank you so much.

MR. BELLA: It's best to do that in early June, like the first week, before our 80 percent with the DEP.

PRESIDENT SANCHEZ: Thank you, guys.

MR. BELLA: One thing I'd like to add is that the study team has done a really good job thus far. I give them credit. It's a very difficult situation that they're studying. This is not an easy alternative. Some places you go you have one or two, that's the end. This is very difficult. There's a lot at stake.

I want to reiterate this is as important as the initial building of these reservoirs were to our owner cities and so that's why there's a lot of consideration going in. The staff has done a great job, worked hard, and very thoughtful about this, too.

So I want to compliment all of our staff that's been involved.

MR. MEDINA: I want to thank you and Jim and Laura and the other folks we've been dealing with. We got tremendous information and information from the staff. They really know your

system.

PRESIDENT SANCHEZ: Let's push hard to see if we can have any land left over so we can do some sales.

COMMISSIONER RODRIGUEZ: That's what Newark wants to do with Cedar Grove.

PRESIDENT SANCHEZ: Thank you.

COMMISSIONER RODRIGUEZ: wonderful presentation.

MR. HANLEY: Controller's Report.

MR. WEISS: Cash on hand is currently 10.9 million.

Accounts receivable are at 10.9 million. Our 30 days or less accounts receivable is 95 percent of that balance. That's pretty good.

Our accounts payable is at 2.9 million.

MR. HANLEY: Just quickly, the big one, which is or one of the larger receivables, Louie told me was received today. I think it was Lincoln Park.

COMMISSIONER BAZIAN: I didn't hear that, for how much?

MR. HANLEY: Pardon me?

COMMISSIONER BAZIAN: I didn't hear what you said.

MR. HANLEY: We had a receivable due around 30 days from Lincoln Park but they tell me it was received today.

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MR. WEISS: That's wholesale.

MR. HANLEY: Fair Lawn is in the mail --

PRESIDENT SANCHEZ: That's what I say.

MR. HANLEY: Don't worry, we don't listen to that very long but they're usually pretty good.

MR. WEISS: None of the wholesale receivables are beyond 30 days.

MR. HANLEY: Basically we're in very good shape.

MR. WEISS: I mentioned at the last Board meeting that I expected to have financials done before this Board meeting. I wasn't able to get them all done. The auditors are finished with the audit. They're finished with the fieldwork here, which is great. I hope that will free up some time and I expect to have them for next month but I know I'm behind. I'll have to get them back on track.

COMMISSIONER BAZIAN: May I?

Mr. Weiss, kindly tell me what our total revenues were for the months of January, February, and March?

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58

MR. WEISS: I can't give you that answer off the top of my head.

COMMISSIONER BAZIAN: How about total expenditures? Let's talk about the month of February, which is last month.

Here's my problem. How do I evaluate how we're doing financially if I don't have basic

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financial information?

MR. WEISS: Understood, you can't.

COMMISSIONER BAZIAN: Now, correct me if I'm wrong, is that not one of the jobs of this Board?

MR. WEISS: Absolutely.

COMMISSIONER BAZIAN: Okay.

MR. WEISS: The Accounting Department is still trying to dig out from under. We've been four years understaffed and we're still trying to keep ourselves afloat. We have struggled for the last four years and it's coming to a head.

COMMISSIONER RODRIGUEZ: If I may, Yitz, Commissioner Bazian.

The personnel committee is getting together. We're working on, in fact, Joe, who's putting a Table of Organization together. We're very cognizant of the fact, Yitz, that you need,

59

you really need help and more so than ever now. We're seriously looking at that, because the Finance Department is really the heart, without proper staffing of finance, we don't know where the heck we're at. So that's like a priority for us.

COMMISSIONER KOLODZIEJ: At our finance committee, one of the concerns was, it's a well-deserved promotion, very suited for the job, you're taking another key employee away from him at a time when he's already behind.

COMMISSIONER BAZIAN: Why don't we discuss
Page 50

pvmc31710.txt

that in the closed session?

COMMISSIONER KOLODZIEJ: I'm satisfied that to know that personnel is cognizant of that, that they're going to give finance what we need, which is this Table of Organization and get it altogether.

COMMISSIONER BAZIAN: For the record, and I'm just trying to formulate my thoughts on this.

I'm very frustrated. I'm not saying I'm frustrated at any individual. I'm frustrated as a new Commissioner here. The only financial statement I have is a year old because it's the last audited report. I don't have any clue to

60

come up with any idea what is reasonable or unreasonable in terms of what the financial results of a company should be in three months on the Board.

I understand -- I understand the position of finance. I'm a CPA, been there, done that, got the T-shirt, okay. But I feel like I'm being asked to vote on issues that have finance and I don't have a complete picture and I find that very, very frustrating. And I just wanted to voice that frustration. I'm not beating up on anyone per se.

Last month I said if we didn't have January, February, whatever the statements were, I was going to say something about it because I was starting to feel frustrated.

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PRESIDENT SANCHEZ: We heard you, so.

COMMISSIONER BAZIAN: Thank you. I'll shut-up now.

COMMISSIONER RODRIGUEZ: We don't want you to get frustrated. We want to welcome you with your T-shirt.

COMMISSIONER KOLODZIEJ: Frustration T-shirt.

COMMISSIONER RODRIGUEZ: We want to

61

welcome you with a T-shirt.

PRESIDENT SANCHEZ: All right. All right. Is anyone getting paid by the hours here? You are?

MR. HANLEY: You have to go into closed session.

MR. BELLA: Let's go into closed session.

MR. HANLEY: We'll offer a Resolution -- Mr. President, I'd like to offer a Resolution to go into closed session for the following purposes:

Whereas, Section 8 of the Open Public Meetings Act, Chapter 231, Public Law 1975, permits the exclusion of the public from a meeting in certain circumstances; and

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

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

The public shall be excluded from discussion of the hereinafter specified subject matters; the general nature of the subject matter

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being: Financial, Insurance, Personnel,
Contracts, Negotiations, Litigation, Security and
any other matters may be discussed in camera and
specifically, including litigation related to 75

62

Franklin Avenue, Nutley, New Jersey easement. The
security issues/background checks, which would be
a discussion only. 260 Gregory Avenue, Passaic.
St. Mary's bankruptcy. Personnel issues including
The Estate of Levine and Mr. Zangoglia for which a
Rice notice was sent to Mr. Zangoglia. And, let's
see, the DOT eminent domain negotiations relating
to Route 46. We have Mr. Fine here to discuss
American Contracting, which is another matter and
Mr. McPherson who will discuss the DOT. And I
suggest that you take them first.

Is there a motion?

COMMISSIONER RODRIGUEZ: So moved.

COMMISSIONER KOLODZIEJ: Second.

MR. HANLEY: All in favor?

Any opposition?

Hearing none, it's passed unanimously.

Time is 11:00.

Close the doors.

63

(Open session reconvenes at 12:08)

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MR. HANLEY: Commissioner Kolodziej has been excused due to a pressing engagement.

Okay.

We're back in open session.

We need to deal with the Consent Agenda, the minutes, the closed session minutes of 2/17/10.

Is there a motion to adopt those minutes?

COMMISSIONER RODRIGUEZ: So move.

MR. HANLEY: Motion by Commissioner Rodriguez.

PRESIDENT SANCHEZ: Second by Commissioner Bazian.

COMMISSIONER BAZIAN: With all due respect, don't you think I'm entitled to open my mouth before you put something in it?

COMMISSIONER LEVINE: I'll second.

Let's go.

PRESIDENT SANCHEZ: He seconded. Didn't you hear him?

MR. HANLEY: All right. All in favor? Opposed?

Hearing none, they're adopted

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64

You have the report from the Linda Beckering, Miscellaneous Orders Placed from 2/8/10 - 3/7/10. Any objections to that?

COMMISSIONER RODRIGUEZ: So move.

COMMISSIONER VANNOY: Second.

MR. HANLEY: All in favor?

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All opposed?

Hearing none.

By the way, those two votes are five yeses and two absences.

Commissioner DeVita is re-entering the room. The time is 12:10.

Requests for Action. First one is Contract --

COMMISSIONER LEVINE: Can we do them altogether? Read them and see --

MR. HANLEY: I don't think that's a good idea. The subjects are two disparaging, but we can do it if you so move and vote to do it.

COMMISSIONER LEVINE: I move to do it.

MR. HANLEY: If there's any objections from any Commissioners? There's a motion to take the Requests For Action five through ten as a group.

Is there a second.

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65

COMMISSIONER RODRIGUEZ: Second.

COMMISSIONER DeVITA: Can I ask a question? If we do it as a group, we vote five we want to approve.

Six approve a rejection, right?

Seven approve an extension, recommendation to reject and rebid.

Eight to award.

Nine to award.

And ten to award.

pvw31710.txt

COMMISSIONER LEVINE: Yes, and if there's any problems we'll bring them up.

MR. HANLEY: Well --

COMMISSIONER RODRIGUEZ: Can I make a comment?

MR. HANLEY: Let me let you know how this works. If you wish to discuss them further, you then ask that they be removed from this blanket Resolution.

COMMISSIONER RODRIGUEZ: Can I make a -- the reason why I seconded it is because I believe, Mr. Chairman, that this was already discussed in finance before it comes on. So this has already been discussed prior by the finance committee.

COMMISSIONER LEVINE: Yes.

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66

COMMISSIONER RODRIGUEZ: I just want that on the record.

MR. HANLEY: If there's no further comments, I'll entertain -- I'll call the roll.

There was a motion by Commissioner Levine and a second by Commissioner Rodriguez.

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

MR. HANLEY: It's unanimous.

We'll move on to Number 11, Resolution to adopt a Surety Bond which will be filed with the County of Passaic. It's no money or appropriation. It's basically you're giving your

pvw31710.txt

word by way of a bond that if in doing a road opening you cause damage, that you are committed to repair it or compensate it.

That saves you, by the way, from actually having to go out and get an actual surety bond and that's a courtesy they give to a public entity.

PRESIDENT SANCHEZ: Move by Commissioner DeVita.

Second by Commissioner Vannoy.

67

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

MR. HANLEY: These next two Resolutions, these gentlemen are present. I just want to give you a quick background. Both of these gentlemen and their, the people they work with were in effect recognized by the MEL/JIF, the Municipal Excess Liability/Joint Insurance Fund, who is our insured for having exemplary performance with respect to safety training and programs that they've instituted with the guidance and in conjunction with the Joint Insurance Fund.

And as the fund Commissioner, I attended a meeting recently where Mr. Bell was given an award. But I also thought it was important that we recognize Mr. Bisesi, who has helped implement this program on behalf of the Commission and Mr. Marotta, who has done, likewise, at the plant.

I think Mr. Marotta is engaged with some

pvwc31710.txt

of the emergency matters and can't attend.

But I thought they should be recognized. So, we've prepared Resolutions for that purpose, which I'd like to very briefly read right now.

well, anyway, I apologize, we're a little

68

disorganized without Mr. Amodio, who is out today.

The essence of the Resolutions are that they be recognized. Mr. Bell for standing performance; and Mr. Bisesi, his supervisor, for helping implement the entire safety program; and the same with respect to Mr. Marotta.

And Mr. Bell actually received an award from the MEL/JIF, which I believe you have and then we received a --

COMMISSIONER RODRIGUEZ: We got it. She's showing it around.

MR. HANLEY: That is the award, I believe, for the Commission. It acknowledges the Commission -- this has both real life impact in terms of safety over the long term and it also helps us with our insurance premium.

So I think it's a win/win and I think perhaps, Mr. President, if you entertain a Resolution with respect to these gentlemen, and I want to mention Mr. Cupo and Miss Cummings, under whose department this occurred, and of course Joe Bella, the Executive Director, have all encouraged this in cooperation with the MEL/JIF and risk manager. So it's a very good thing.

PRESIDENT SANCHEZ: On behalf of the
Page 58

Commission, I want to say thank you to you two gentlemen. It's a great thing. You're doing this for the Commission and we want to thank you.

COMMISSIONER RODRIGUEZ: Congratulations.

COMMISSIONER BAZIAN: Mr. President, I'll make that motion.

COMMISSIONER RODRIGUEZ: Second.

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

MR. HANLEY: Just so you know, they will get, because it states it in the Resolution, which you just adopted, an embossed version of that Resolution as soon as we get Mr. Amodio back to do that.

COMMISSIONER RODRIGUEZ: Congratulations and thank you so much.

MR. HANLEY: There are two mirror Resolutions here acknowledging two long time employees who are retiring from the Commission, Mr. George Bednarz, Supervising Laborer, retired effective February 1, 2010 after serving the Commission for a period 29 years during which he performed his duties with loyalty, dedication and pride.

Salim K. Balady, Senior Hydrant Repairer, has retired effective March 1st, 2010, having

pvwc31710.txt
served Passaic Valley Water Commission for a period of 26 years and two months during which time he performed his duties with loyalty, dedication, and pride; and the President will entertain a motion and second on those.

COMMISSIONER BAZIAN: Move it.

COMMISSIONER RODRIGUEZ: Second.

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

MR. HANLEY: Those are adopted.

The deferred comp, as I understand it, I don't know if anybody has any comments, I think this went through finance or the personnel committee to offer a third option for deferred compensation plans. Hartford was the addition.

COMMISSIONER DeVITA: If I may?

MR. HANLEY: So what I did here is to make -- the other two you had previously authorized. So I wanted it all in one Resolution so you don't have to search your file to figure out what we did. So I ratified the earlier

71

options and added this one in. We do it by reference to the specific plan, which plans are on file with personnel.

COMMISSIONER DeVITA: So move.

COMMISSIONER RODRIGUEZ: Second.

(Roll call was taken, all Commissioners
Page 60

pvmc31710.txt

present respond in the affirmative)

MR. HANLEY: Summary of disbursements and payroll in the amount \$4,983,410.76. The Certification of the Treasurer and Comptroller.

Commissioner Levine, did you choose to move that?

COMMISSIONER LEVINE: Yes, I do.

COMMISSIONER VANNOY: Second.

COMMISSIONER DEVITA: I have to abstain on Vito's Towing.

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

MR. HANLEY: I honestly don't recall. There was nothing from closed session.

Do we have anything before Good and

72

welfare?

COMMISSIONER BAZIAN: Mr. President, very quickly, from the IT committee. I just wanted to let the Commission know that we are able to take credit cards at the window. It took our CIO a whole 34 days to get that done and I thank him very much. This has been a problem.

We do have certain other issues that have to be taken care of in terms of compliance which our CIO is working on and he will be reporting to the committee for a plan to get that done and a

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time frame to get that done.

We need to, and I'm not sure what the process is, we have two RFPs that need to go out. One is our contract for the credit card processing is up so we have to get an RFP out on that.

And we are currently -- our support company that supports the network and software and all of that is currently operating without a contract and they don't have a state contract. So we need to get an RFP out for that.

Is there some action required on the Board --

COMMISSIONER LEVINE: Can I ask a question?

73

MR. HANLEY: Just to authorize it be done.

COMMISSIONER LEVINE: Let me ask you the question. If the credit card processing just got approved now, when we won the RFP last year, we originally were going to get this done. We never got it going. I mean, we did all this work to just to extend the contract the Board one more year, due to us not getting it out and go out for an RFP next year.

MR. HANLEY: The law would allow you to do that.

COMMISSIONER LEVINE: We did all this work, from what I understand, you had meetings. We went through it. We never got this like we were supposed to last year.

COMMISSIONER RODRIGUEZ: I think that
Page 62

pvw31710.txt

there was a review of the contract.

COMMISSIONER BAZIAN: Our experience has shown that we need certain different things. We're not saying our current vendor should change, we're saying some of the technical specifications need to change.

COMMISSIONER LEVINE: Maybe we can talk to him and see if he can change the specifications. He won the RFP last year.

74

COMMISSIONER RODRIGUEZ: He won two years ago.

COMMISSIONER BAZIAN: You can't change the technical specifications of a contract. You can't extend the change. That requires a new RFP. That's my understanding.

PRESIDENT SANCHEZ: Can I ask your opinion on that because, because --

MR. BENOIT: Some of the specifics on the technical specification I have to discuss with Commissioner Bazian. The big issue certainly was the ability to take credit cards at the window. And the vendor was very, very willing and able and very cooperative to get that done. We had accounts recharged and it would seem to me that if it were the will of the Board to extend the contract for another year, the work that we need to do to become compliant wouldn't change. We can change through those efforts, as necessary, with the existing vendor or the new vendor to maintain

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our compliance.

COMMISSIONER RODRIGUEZ: My only concern is what do we do in the interim while we go out for an RFP? That's the only thing.

COMMISSIONER BAZIAN: Nothing changes.

75

COMMISSIONER RODRIGUEZ: we'll continue to use his services?

COMMISSIONER BAZIAN: I'm not even saying that we need to change. I'm just saying that in the conversations that I had with Mr. Benoit that the discussion was that, is that certain parts of the technical specifications, this was to be brought up at our last IT committee meeting which we had to unfortunately cancel. Some of the technical specifications had to change. Nobody is trying to say that --

COMMISSIONER RODRIGUEZ: I think we need to rediscuss it at the next meeting and bring it, going out for the RFP for that specifically to the next meeting.

COMMISSIONER BAZIAN: Okay. Can we at least get an RFP out for a company to support our network, to get a contract for a company to support our network?

PRESIDENT SANCHEZ: who needs to put it together? Put it together.

COMMISSIONER BAZIAN: We need authorization to go out.

COMMISSIONER RODRIGUEZ: We have to look at that.

COMMISSIONER BAZIAN: I don't know how it works.

COMMISSIONER RODRIGUEZ: It has to go on the agenda for next month.

PRESIDENT SANCHEZ: Get it ready for the agenda.

MR. HANLEY: So I guess what you would want is some kind of a draft prior to the meeting.

COMMISSIONER RODRIGUEZ: He's working on it.

MR. HANLEY: Prior to the meeting.

COMMISSIONER LEVINE: Let me ask you a question. Do we need to go out? When we say we're going out for another RFP, actually, you know, to the vendor, you know, he's done all this work --

COMMISSIONER RODRIGUEZ: It doesn't matter. Listen, we have -- excuse me, excuse me. We have professional service consultants here that have to respond to RFPs on a yearly basis. They can be doing the best job ever, they still have to do it. Then you don't put -- what you don't want to do is put an RFP last minute, drop it into an agenda because it sets a precedent that's not --

COMMISSIONER BAZIAN: I don't have a

problem with that.

PRESIDENT SANCHEZ: What do you have, Joe?

pvw31710.txt

MR. BELLA: Just under Good and Welfare, I want to address.

PRESIDENT SANCHEZ: What do you have under Good and Welfare?

MR. BELLA: I just wanted to get you up to speed with what happened and transpired in the last few days due to the storm.

Little Falls Treatment Plant, actually the power was out. We normally have two lines coming into that plant. Both lines were down during that time. We went on standby generation for a small portion of our plant and it was a very large effort to keep the plant running, to keep water in the system, to keep the generator running and defend against this rising flood.

And I just wanted to mention some people. Mike Marotta did a fantastic job. His first big, you know, as running the maintenance crew there. The first big catastrophe and he did very well.

Laura Cummings did a great job.

Mike Ciolino did a great job.

Tim Cupo, Phil Russa.

Everybody pulled in together to get things

78

done.

Evette, I kept her up for long periods of time just in case things were to deteriorate to the point where we had to go to the public, but we didn't have to.

The Engineering Department, Jim and Kevin.

But the important thing here was it

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wouldn't have happened if it wasn't a great team effort on everybody's part. The staff, lots of people who I will generate a list of thank you and give it to the Commission. But all of them down the scale, it was a major effort and we maintained our reliability, which is very important to us.

Reliability's enormously important and not just quality and we always have that little, we keep quality, reliability, and we start with that.

COMMISSIONER DEVITA: Should we give a letter of commendation?

MR. BELLA: I'm definitely going to do it.

PRESIDENT SANCHEZ: Thank you, Joe.

Honestly on behalf of the Commission, we want to say thank you to all you guys.

MR. BELLA: Maybe a T-shirt.

PRESIDENT SANCHEZ: Under Good and welfare, today is St. Patrick's Day, to all of us,

79

I wish Irish luck.

COMMISSIONER RODRIGUEZ: We all have Irish luck.

PRESIDENT SANCHEZ: Happy St. Patrick's Day and remember, don't drink and drive.

COMMISSIONER RODRIGUEZ: Under Good and welfare, I want to wish Mother Hanley a 100th birthday.

MR. HANLEY: She was on Willard Scott.

COMMISSIONER BAZIAN: Under Good and welfare, condolences to Commissioner Kolodziej on

pvlc31710.txt
losing her aunt.

Motion to adjourn.

COMMISSIONER RODRIGUEZ: So move.

COMMISSIONER BAZIAN: Motion to adjourn.

COMMISSIONER RODRIGUEZ: Second.

(Whereupon, the meeting was adjourned at
12:30.)

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80