

PASSAIC VALLEY WATER COMMISSION MEETING OF
JULY 13, 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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PRESIDENT SANCHEZ: Call the meeting on
order.

MR. AMODIO: On the roll.

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

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MR. AMODIO: Commissioners Vannoy and Rodriguez are on their way.

Time is 9:41.

You have a quorum.

Please rise for the Pledge of Allegiance.

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

I believe we have a member of the public that would like to be heard.

Commissioner Rodriguez is now here.

MR. BELLA: This is Tony. I don't know his last name. He owns the restaurant on the

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corner and he'd like to ask you about the parking.

PRESIDENT SANCHEZ: State who you are.

MR. SHABAZZ: My name is Tony Shabazz. I own the restaurant next door here, your neighbor. I'd like ask you, the Commissioners, if I can use the parking lot after 5:00.

PRESIDENT SANCHEZ: It's not our parking lot. If it was my own parking lot, I would say yes, but it's not ours. I don't think we can do that.

COMMISSIONER RODRIGUEZ: There was a
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situation I think a month ago where people wanted to park there for the day and basically the consensus -- I'm sorry, I didn't mean to give you my back -- the consensus was that that's a liability for us. If someone comes and parks and their car is stolen, they get flat tires, somebody is fighting up there, that's a huge liability for the Commission. And we said no. They were just going to park for the day. And I think there was a, you know, the President -- you know, that's my two cents.

COMMISSIONER KOLODZIEJ: I would like the opportunity to discuss this further. Certainly, it wouldn't be offered for free. Certainly,

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liability should be covered by insurance. I can tell you right now Mr. Shabazz has a lot of problems with his neighbors, because as a former City Councilwoman, you know very well what the neighborhood is like.

So I would like to pursue Commissioner Rodriguez's concerns with our legal department. It would be a contractual matter. So I believe it can be done in closed session. She's absolutely right. We need to protect the Commission first, even if it's a little extra money and if you can get a hold harmless. I'd like to at least explore it. That's my two cents.

PRESIDENT SANCHEZ: If you want an opportunity to explore it. I'd like an

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opportunity. We can discuss it.

So my advise to you is if you have an attorney or somebody that you use, have them send in something in writing and we can look into it. All right.

MR. SHABAZZ: Sure.

who do I send it to?

PRESIDENT SANCHEZ: To the Executive Director. We'll have him send it down to legal. When we have something in writing, we'll discuss

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it. We like to help the City of Clifton. If we can get a hold harmless and not be held liable for anything, we might be able to accommodate you. Let's see what happens.

THE WITNESS: Thank you. I appreciate it.

MR. AMODIO: Next will be the Executive Director's report.

We have our consultants here. Joe, if you'd like to introduce everybody.

MR. BELLA: We have the consultant's 80 percent completion report to get you up to speed on what the storage improvement project, what's going on with that.

Thursday we go down and make a presentation to the State.

And so we have Bob Medina from Medina Consultants.

Marco Aieta from Carollo.

And Al Sessa from Medina Consultants.

Between the two of them, they're going to

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do a presentation for you which they'll pass out.

PRESIDENT SANCHEZ: Do you want to do the presentation before your report?

MR. BELLA: Yes. That's the report in a nutshell. I have a couple of things in closed

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session.

MR. SESSA: Good morning. My name is Al Sessa with TY Lin/Medina. As Joe indicated, we're going to give you a project update as of the last Commission meeting.

The last Commission meeting was March 17th and at that meeting we had presented and discussed several items. Those items were the eight alternatives that were defined for each of the three reservoirs.

Each of the alternatives were also ranked based on the weighted evaluation criteria and cost, costs excluded.

Preliminary budget costs were presented for each of the alternatives.

An elimination process took place, you know, where the alternatives eliminated based on the weighted evaluation and costs.

Ultimately, three alternatives then remained. Those were four, seven, and eight.

The next sheet is a brief outline of the eight alternatives with the three remaining being, four, seven, and eight.

Four being eliminating the reservoirs and

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providing minimal tank storage and back-up power.

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Alternative seven, replace the reservoirs with tanks and some emergency storage and back-up power.

And then alternative eight was to cover the Notch and provide operational storage at New Street and Levine and provide back-up power at the Little Falls Treatment Plant.

The next sheet basically, during or after the last Commission meeting of the 17th of March, several meetings were held with the Passaic Valley staff and ourselves and Carollo, where we reviewed drawings of each of the alternatives and reviewed various options and discussed and modified those options and fine tuned them.

And, again, those are alternates four, seven, and eight.

And on the next sheet, sheet five, these are the components of each of the alternatives.

Alternative four, at the Levine Reservoir, is install a five million gallon Cast-in-Place Tank.

At New Street, two 11 and a half Prestressed Concrete Tanks.

At Great Notch, two one and a half million gallon Prestressed Concrete Tanks.

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Emergency generator at the Little Falls Water Treatment Plant and a new tank in Verona,
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one two million gallon tank, which would duplicate the tank that's there now.

Alternative seven: Levine Reservoir, similar to alternative four, five million gallon Cast-In-Place Tank.

New Street, two 15 million gallons Prestressed Concrete Tanks.

Great Notch, two 20 million gallon tanks.

New Street Pump Station, emergency generator and Verona, tank.

Alternative eight: Again, Levine Reservoir, similar item, five million gallon Cast-in-Place Tank.

New Street, two 11 and a half million gallon tanks.

Great Notch is a two cell cover and liner, that basically covers the entire reservoir and split in half.

The Great Notch Pump Station, a reverse power generating system.

Emergency generator at the Little Falls Water Treatment Plant.

And, again, a new tank at Verona.

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COMMISSIONER BAZIAN: May I ask a question?

would you please briefly describe a Cast-In-Place Tank versus a Prestressed Concrete Tank.

MR. SESSA: Cast-in-Place Tank is where

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you actually pour the concrete tanks with rebar inside the concrete.

And Prestressed Concrete Tanks are premade tanks that come from the manufacturer based on the design and they are then put in place.

COMMISSIONER RODRIGUEZ: Can I ask a question?

what are the benefits in terms of liability with a Prestressed Concrete Tank.

when we did the parking deck in Paterson, premade, whatever, I forget the name of it and the bid wasn't correct and so I'm wondering, in your estimation, I don't even know if you can even say this, what are the benefits of doing one versus the other?

MR. SESSA: well, I'm sure it comes down to structural issues, when you're dealing with, depending on how deep the tanks are, how high the tank are. so it all comes down to structural

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design.

COMMISSIONER RODRIGUEZ: Okay.

COMMISSIONER DeVITA: Question, if I may.

Insofar as the alternative, the capacity, seven, you have two 20 million gallons tanks and eight you have two cell covers. what's the capacity of Great Notch number eight, two cell covers.

MR. AIETA: Current capacity is 158 million gallons to make the cells, put the cover in, put a dam across, kind of longitudinal. That

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would take some volume out. We're estimating it will be about a 140 million.

COMMISSIONER DeVITA: So if we go with seven, we'll have 40 million gallons of storage.

If we go with eight, we'll have 140 million and the cost approximately on eight is a lot more.

(Whereupon, Commissioner Vannoy is present at 9:50)

COMMISSIONER BAZIAN: Just remind me. We're talking about a generator at Little Falls, maybe my memory is failing me but I thought we had

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a generator.

MR. BELLA: That powers a very small portion. Just to pump water down through the Verona water, Morris County connection, keep them, it's so little storage in that system that we had to -- it doesn't power up any of the process or any of the major pumps. We rely completely on storage to supply water when we have an outage.

COMMISSIONER BAZIAN: So we're talking about a much larger generator?

MR. BELLA: Yes, about -- we'll get into details. We'll get into the details.

COMMISSIONER BAZIAN: Okay.

PRESIDENT SANCHEZ: Let me ask you.

Is there any action that you are planning

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to propose?

MR. SESSA: We're going to get to that.

COMMISSIONER RODRIGUEZ: We're ahead of ourselves. Sorry.

PRESIDENT SANCHEZ: I'm a little encouraged to see because my thing is this, concrete, when you say concrete, this day there's so many alternatives to concrete. Concrete is the only option that you see?

MR. SESSA: When you're dealing with these

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size tanks, from a structural standpoint it's the way to go.

PRESIDENT SANCHEZ: It's the way to go?

MR. SESSA: Correct.

MR. BELLA: And cheapest.

COMMISSIONER RODRIGUEZ: They have like an absorbancy. When we went to the convention...

MR. SESSA: Based on these components that are on sheet five, costs were developed.

At this point, I'd like to turn it over to Marco Aieta.

COMMISSIONER DeVITA: Bad news.

MR. AIETA: No bad news here.

So we're going to start with this slide. It has the alternatives on it. We've added it just so you have an appreciation for the qualitative components that went into the alternatives.

Alternative seven and four have a very high water quality ranking. Because for these

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alternatives, we're able to reduce the water age, which is a good thing, in the distribution system. It's good for meeting regulations and good for the customer's quality perception.

Alternative eight, which is the covering

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of the Notch Reservoir has a lower quality because the water age in the Notch will be significantly longer than the other alternatives. So it ranks a bit lower.

If we turn to the next page, this is the punch line you're waiting to see. I need to qualify these cost estimates as we always do. These are cost estimates that would be a Level IV cost estimate. Last time I was with you we presented Level V cost estimates which were plus 100 minus 50. These are plus 50 minus 30 at that level. So we're getting a little bit better. The next time you see a cost estimate will be a Class III, which is plus 30 minus 15.

COMMISSIONER BAZIAN: Is that percent?

MR. AIETA: Percent.

These are classifications that the engineering community uses as cost estimates.

So let's talk about the alternatives and compare them.

I'll draw your attention, first of all, to the first major blue line says, "Sub-Total Bid Costs." These are the costs that you would expect to see that include all of the equipment plus the

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contractor's overhead and profit. We've escalated

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these prices to the midpoint of construction, trying to get an average escalation. We added some sales tax that may or may not be appropriate. We're not sure about that yet. Bid market allowances deals with the bid climate in New Jersey. It's a little higher bidding climate here. And subdivision one costs are actually contractual languages but we just rolled those up. They normally show up on a process but we just rolled --

PRESIDENT SANCHEZ: Let me ask you this before you move on.

These are the rates in this economy. Years from now if the economy picks up again, you know, it's going to go --

MR. AIETA: Absolutely. We talked about that last time, Commissioner, when we were here. And my current assessment, the last time we talked, I said, we're still in the down economy. Things are still down. You should look to be able to get a pretty good price on this construction. The construction industry now, especially around public works, is about flat. The industry leaders are predicting an uptake in 12, 18 months in that industry. So you have some time to take advantage

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of the bidding climate. These estimates, because of the variability being a Class IV don't really

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take into account the local bidding environment. The next go round we'll probably take a look and see in some more detail what the local bidding environment is.

I hope that answers your question.

Short story is, if you can bid some of this work in the next 18 months, you'll still be in it.

COMMISSIONER RODRIGUEZ: You read my mind, Commissioner Sanchez, because I was going to say that.

MR. AIETA: The next item -- the -- just describing the cost sheet. The next blue item is the Total Capital Costs. That includes the bid price plus soft costs associated with engineering. Soft is a term, relative term, meaning it's not part of the bid price. Engineering and program management and legal, administrative, and public outreach costs.

And then the final dark blue line includes the Delta and Operation of Maintenance Costs. This is a very important line because the alternatives are different in their operation and

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maintenance costs. And so what we've done here is we have tried to estimate the difference between what you have today, operation and maintenance budget wise, and what these new alternatives will do for you.

Now let's go through each of the

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alternatives, if we could.

Alternative seven has a subtotal bid cost of \$98 million. A total capital cost of \$116 million. And the additional going in cost is relatively minor, over, it's a 50-year lifetime. So the total lifecycle cost, alternative seven, is about \$116 to \$117 million.

Alternative four, which is much less construction, much less storage, much less reliability, comes in again at \$75 million.

Alternative eight is the interesting one because of its operation and maintenance cost, you can see that the total capital costs come in at about 110 million but the operation and maintenance cost over the 50-year lifetime net present value, \$55 million. And the reason is that that cover for Notch has to be replaced every ten years. So there's five replacements built into this cost and operational cost.

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So in the grossest sense, you have to spend about \$10 million every ten years to maintain that reservoir cover. And that's the difference.

So the still cost is \$167 million dollars in lifecycle costs.

Any questions on any of this yet?

COMMISSIONER LEVINE: I got a question. I'm not sure if it's appropriate to ask right now. Were you looking to see what Newark and United water were doing? We talked about that last time

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to see what their options.

MR. AIETA: Absolutely.

There's a few more slides and Al was going to cover and talk about. That's part of this.

COMMISSIONER BAZIAN: Am I understanding correctly that you're saying that alternative seven and four would cost us approximately \$43,000 more a year? I realize this is a net.

MR. AIETA: It's \$428,000 over 50 years.

COMMISSIONER BAZIAN: Fifty years, I'm sorry.

MR. AIETA: Net present value of 50 years and there's additional power because of the pumping and that kind of stuff. It's primarily

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energy usage at that point.

I wanted to answer the question about the power generation. If you notice above there it says, "Back-Up Power Little Falls." That's a 10,000 kilowatt or ten megawatt power generation station, diesel power, internal combustion engines. A couple of those engines will also be able to run on gas, natural gas. So we'll have some level of redundancy in an emergency situation if we ran out of diesel we could get natural gas.

And the redundancy level is what we call N + 2. What that means is we'll have four generators, two of them can run the entire system, including the pump station and the treatment plant. But we added two more because of the

reliability required in the pump station. And as it turns out, we could have different reliability for different alternatives because we have more storage in one than the other but the incremental cost for the back-up power is really small. It's a good idea to have the extra back-up power for a small investment. It's a lot less reliable than storage in a tank. That's why we go to the N + 2 level of redundancy. That's \$5.2 million that line item.

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COMMISSIONER BAZIAN: A couple of questions.

Under alternative eight in the alternative components, you have something called a reverse power generating system. What is that?

MR. AIETA: To fill the Notch up, we have to expand an existing pump station. In fact, what we considered here is replacing it with a new pump station. But because we're moving a lot of water to a very high elevation where we don't need it, it takes a lot of pumping energy. To recover that energy, we built a reversing pump station, which means that as the water comes back down off the hill it generates power. So that's what the reverse pump station is.

COMMISSIONER BAZIAN: My question is, if I'm understanding correctly, when the water is coming down from Great Notch, that would be whether we have the reservoir or even one of the storage tanks, is that --

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MR. AIETA: You could. With a storage tank, there's not enough volume to justify. You can't generate enough power.

COMMISSIONER BAZIAN: You also mentioned N + 2, which I don't necessarily disagree with, you

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said it was a small amount. How much --

MR. AIETA: The entire power station is 5.2 million.

COMMISSIONER BAZIAN: What's the incremental cost from N, N + 2.

MR. AIETA: I have to guess. It's less than 25 percent. I'd have to go back and check for sure. I don't have those numbers at my fingertips. But the N + 2 buys us significant reliability and that's based on experience right here that you have during the outage in March and the big storm event there, we surveyed, actually your staff surveyed, the back-up power generating stations in the area and found out that in general, you got about 50 percent reliability. Either they ran for half the time they wanted to or only half --

PRESIDENT SANCHEZ: Let me ask you this. This may not be the time to ask, but since we're doing all this storage. Are we going to have any excess land after we get done with this, like some of this property that we have, are we going to have like any use for that when we're done with this? What's your thought about it?

consider. One is if you go this alone and you may have some land at the Notch area, whether it's usable, what its value is, we don't really know. That's something that you have to undertake to study yourself.

If you go with a Great Notch/Cedar Grove with Newark. There could be a tradeoff. There could be all the storage at Notch, all the storage at Cedar Grove, which would free up of those parcels with land.

PRESIDENT SANCHEZ: That could be something we'll look into it. We can use that as a tradeoff for all these projects, doing all this planning. I'd like for that to be considered.

COMMISSIONER RODRIGUEZ: I think you're right. I think we need to decide, this body at some point needs to decide if we're going to go with this with Newark.

Joe.

MR. BELLA: That's coming.

COMMISSIONER RODRIGUEZ: That's one of the alternatives, am I correct?

MR. BELLA: That would be one of the alternatives we still have to flush out with them.

COMMISSIONER RODRIGUEZ: They have this

whole MUA thing. I think they're waiting.

MR. BELLA: And the State's very keen on
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us --

COMMISSIONER RODRIGUEZ: Right.

MR. BELLA: I know on Thursday they're going to question us very heavily on whether or not, what our expectations are. And as you get into the slides here, you'll know what we would expect --

COMMISSIONER LEVINE: Will it really free up land? We need our property.

MR. BELLA: This is my guess. This is just off the top of my head. Anything at the Notch there's very little land there that would be good for anything but a park or that kind of thing. At the Notch, it's not going to be we're going to sell land and pay for the project. There's not a lot -- remember the reason why they built it there is because it's very steep bottoms that they can dam up.

COMMISSIONER LEVINE: Fishing over there, too?

MR. BELLA: There's no fishing.

COMMISSIONER LEVINE: Not at the Notch. The Point.

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COMMISSIONER RODRIGUEZ: That's fresh water.

COMMISSIONER DEVITA: That isn't affected.

COMMISSIONER LEVINE: No, right. The only way we can free up land is --

MR. BELLA: Yeah, yeah, that's correct.

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MR. AIETA: The final slide I want to talk about is just the Alternative Ranking with the Costs to see where things compare. I should remind you the dollars shown here are total lifecycle cost dollars.

PRESIDENT SANCHEZ: Not construction.

MR. AIETA: This is lifecycle, everything. Not just construction. Not just the bid price. But the entire lifecycle cost.

MR. HANLEY: If I may ask, what is the lifecycle?

MR. AIETA: Lifecycle cost -- well, we've assumed a 50-year lifecycle, reservoir, tanks, good 50 years.

PRESIDENT SANCHEZ: What do we do after 50 years?

COMMISSIONER RODRIGUEZ: We won't be here. We don't know.

COMMISSIONER DEVITA: We're going to drink

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a bottle of water.

COMMISSIONER KOLODZIEJ: He's going to send message.

PRESIDENT SANCHEZ: I'm thinking of what I'm leaving behind.

MR. AIETA: It's not that it goes away in 50 years, that's the replacement time line in these tanks.

COMMISSIONER LEVINE: Is there anything that lasts longer than 50 years right now, Marco?

MR. AIETA: It's really an economic
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construct. It's really not a mechanical construct. It's an economical analysis period that we try, you know, we try to figure out how you compare things and we have to pick a lifetime upon which to base that cost.

COMMISSIONER LEVINE: How long could these tanks actually physically, structurally last.

MR. AIETA: There's concrete tanks that have been around for longer than 50 years clearly. They've been maintained. They crack, but --

COMMISSIONER BAZIAN: That actually brings a good question. If there is damage to one of these tanks, how much redundancy is there in the system on these alternatives if we have to take a

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tank off line and go to something else or if we have to take a site off line.

MR. AIETA: We designed with basic engineering conservatism, what we'll do is if we need 25 million gallons, put two tanks in, we have double redundancy on the valves and two ways in and out of the tank. So everything we can, we provide for that level of redundancy. There's no single point of failure anywhere in the system.

COMMISSIONER BAZIAN: What I'm saying right now, the way this exits right now, if we have to take Great Notch off line, shut it down, we have the capacity to take up and still service our customers.

MR. BELLA: Yes.

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COMMISSIONER BAZIAN: Under this new system, if we lose Great Notch, okay, or one of our other systems, do we have excess capacity in our other sites to fill the needs of our customers?

MR. AIETA: Absolutely. Let me go back to the beginning. We talked about the design emergency event. When we established what we call the design emergency event, that's what we're designing for. The worst case scenario is a

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regional power outage. And so anything short of that, we can deal with. If you have a tank that goes down, maintenance, in fact, you're taking one tank out of service you can maintain it and use the other tank.

So, the worst case scenario is regional power outage. We can provide under every alternative that we discussed with you today, we can provide 100 million gallons in a 24-hour period under those alternatives, if there's a regional power outage and that's the worst case scenario.

COMMISSIONER BAZIAN: Here's my concern. From what I understand, our peak over this month, I think our average was 104 million gallons.

MR. BELLA: We're averaging about 107. Our peak is 103.

COMMISSIONER BAZIAN: So that your 100 million gallons doesn't cover us. The last time we had a regional power failure was right in the

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middle of the heat wave. The whole eastern seaboard lost its power. I remember that. It was probably 95 degrees outside. So water is in higher demand. If you're saying we're peaked at 100 million gallons, then we don't have enough

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capacity.

MR. AIETA: During that outage, you used about 93 million gallons in 24 hours.

COMMISSIONER BAZIAN: Okay. Now we're using 107.

MR. AIETA: You're seven short.

COMMISSIONER BAZIAN: Exactly.

MR. BELLA: However, under those circumstances, we would be able to shed some load very quickly. We'll talk about this in closed session. That 107 includes ten million gallons of helping somebody out right now. That would just go off like that and they would be on their own to deal with their own crisis for their own storage. So the 99, the 100 million is a good number.

COMMISSIONER BAZIAN: Hold on a second. I don't mean to debate you. You got a lot more experience than I do in this. Even taking up the ten million gallons that we're currently pumping to someone else, presume we're talking a 50-year life span with the population density and the amount of the population we're covering is just going up.

MR. BELLA: It's going down. It's

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actually beating any population increases, per

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demand is dropping. I'd say nationwide it's about two percent within our own system is, actually, nationwide is, if you look at, it might be as much as 46 percent.

PRESIDENT SANCHEZ: Excuse me --

MR. BELLA: We're about two percent.

PRESIDENT SANCHEZ: Is that because we don't have anymore industrial?

MR. BELLA: That's part of it. If you remember, we had those very small years in 2003. That was the industry leaving. Right now what you're seeing is organic demand, indoor demand is going down because of the laws with the indoor plumbing codes and that kind of thing.

The other big thing that's starting to hit us now is indoor water use is going down because of washing machines and that's --

COMMISSIONER RODRIGUEZ: The efficiency.

MR. BELLA: Low flow toilets and low flow faucets. The next generation of things that are going to hit us are some of the new regulations where you catch water off of, use outdoor watering. Once that starts to hit, you're going to see further demands. I think we're being conservative in terms of picking that number.

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That's a good number. That to me is a pretty darn good number. Remember, too, we'll also have

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back-up generators.

COMMISSIONER DEVITA: And have some restrictions, true?

COMMISSIONER BAZIAN: You're saying a hundred million gallons just what we stored. That's assuming we're not processing --

MR. BELLA: Assuming nothing. A hundred million gallons of storage.

COMMISSIONER BAZIAN: Assuming the plant is shut down?

MR. BELLA: Right. You'll have one day of supply.

COMMISSIONER BAZIAN: But if the plant is on line, okay, with back-up power generator, how much water can we push through in a day?

MR. BELLA: This will be able to run the plant a hundred percent.

COMMISSIONER BAZIAN: which is 125 -- 175 --

MR. BELLA: From the plant, 110.

PRESIDENT SANCHEZ: Moving on.

I guess what I suggest is there's going to be a lot of questions and ideas about this. I

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suggest that every Commissioner put it in writing or have meetings about this because this is a big project.

COMMISSIONER RODRIGUEZ: We have a special project something.

COMMISSIONER KOLODZIEJ: I'd like to

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finish the rest of this because some of us have been reading ahead and it will give me a better background to ask more intelligent questions.

MR. SESSA: Part of the feasibility study that you're doing is to look at the Newark/Great Notch alternative. And there's really two alternatives. One where Passaic Valley and the City of Newark rely on the Great Notch Reservoir. The other is Passaic Valley and Newark rely on the Cedar Grove Reservoir.

I believe at this time the City of Newark as their own ACO and what they need to do with their reservoir and that's how pretty much they're proceeding at this point. They have an ACO. They're dealing with it. And they're moving along in that fashion.

As part of our feasibility study, we're looking at these two alternatives to determine, you know, what these costs are going to be for

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these alternatives and as you can see, we've developed, as a team, three alternatives. Newark A, B, and C.

Newark A being Passaic Valley storage at Cedar Grove.

Newark B, Newark storage at Great Notch.

And Newark C, UV treatment at the Cedar Grove Reservoir.

The components of these are listed on sheet nine and, again, these were all developed as a team. I could go through these but they're

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pretty much listed there. And we will also present this to the DEP. And as we move forward, we'll have costs and be able to better define what these alternatives and how they're going to affect Passaic Valley.

MR. HANLEY: I'm just curious, is there a reason why there's no consideration of UV at Great Notch?

MR. SESSA: During the early phases of this study, we had looked at several alternatives and UV treatment was eliminated, correct, Marco? In the early stages.

MR. AIETA: Yeah, the UV plant would have to be about 100 million gallons a day plant --

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actually 140 to be able to treat the maximum flow. And the cost of that plant and the operation of it was deemed to be pretty much outside of the realm of possibilities.

In addition to that, it didn't guarantee that you wouldn't have to do something in the future relative to New Jersey DEP requirements because they may still be, one of the reservoirs, whether it was the Notch or New Street, as a raw water source, may require filtration in addition to the UV. So that's the reason.

COMMISSIONER KOLODZIEJ: I want to back up a little bit because early on when I came onto the Commission we were moving in the direction of a joint project with Newark. It fell by the wayside

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because some Commissioners thought it was not the way to go.

Did I hear you correctly that you said the DEP is leaning towards this kind of a marriage between Newark and us?

MR. BELLA: I think that was me that said that.

COMMISSIONER KOLODZIEJ: I need to know that, Joe. I have a lot of dealings with the DEP and let me tell you, they rule the roost. So --

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COMMISSIONER RODRIGUEZ: There's a change in the commission. It makes it worse.

COMMISSIONER KOLODZIEJ: That's even worse.

COMMISSIONER RODRIGUEZ: By the way.

COMMISSIONER KOLODZIEJ: But anyway, what's your take on the DEP's position?

MR. BELLA: This is my take.

They would like to see the maximum amount of storage available in the Northeast region. We're looking at a regional perspective. We're looking to take care of our owner cities and our good customers that take care of us. And that's our main thrust.

They want to look at it in a regional thing. And I think our approach to this should be is, that's all well and good. If it helps our Commission, our rate payers, then we'll go ahead, you know, I'll come in and make that recommendation, if it's cheaper than doing it the

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way it is. That's our recommendation.

They understand that. The group we're dealing with are pretty realistic. I think they're hoping beyond hopes that we can somehow leave all this storage in place and at a

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reasonable cost and have no regional impact.

They understand the importance of these reservoirs in an emergency situation. So, what they're trying to do is encourage us to really look at this and not just take the easy way out and say this is the easiest way, let's go with that. And we're not. And we talked to the Commission about this.

The big issue is going to be, I don't think it's going to be us, I think it's going to be dealing with Newark, which is much more difficult to deal with.

PRESIDENT SANCHEZ: Does anybody -- sorry, Tom.

Can we send a letter on behalf of the Commission to both the DEP and the Mayor of Newark saying our position in common and we'd like to work with you guys.

MR. BELLA: I think that's a good approach.

PRESIDENT SANCHEZ: Anybody disagree with that, including the engineers?

MR. BELLA: It should come from the Commission far more so than me.

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some type of letter from the Commission to the Mayor of Newark and the DEP saying, look, we have a common interest and say we like to work with you on this.

COMMISSIONER KOLODZIEJ: Can you change that to explore, George. I don't want to lock us -- you just explained we need to look out for our rate payers. I'm all for joint ventures, not at our expense.

COMMISSIONER RODRIGUEZ: The MUA, they want to control the project --

COMMISSIONER KOLODZIEJ: You got it.

COMMISSIONER RODRIGUEZ: George, and I think my suggestion also is once you do the presentation, I think it's great to keep this in line and for us to explore and to think about how we're going to send the letter. But I think -- because I don't even know that they started. I'm going to be very honest with you, with their feasibility in Newark. We took our Administrative Consent Order very seriously. And we did what we were told. They don't ask, they tell you to do this.

COMMISSIONER DeVITA: Newark hasn't started?

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COMMISSIONER RODRIGUEZ: I don't know that Newark, Bob, you would know probably better than

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me. I don't know that they started --

MR. MEDINA: We're certainly much further along.

COMMISSIONER RODRIGUEZ: We are much further along because they're focusing on putting together an MUA. They're battling certain issues and that piece, the MUA piece, is more important than anything because that's going to help them with other issues.

I would say we explore how we're going to send this letter to them. Okay. And I think until we all give them our final -- before our final -- I would go to this presentation on Thursday and see what kind of feedback we get from them.

COMMISSIONER DEVITA: Is this what's happening Thursday, this presentation?

MR. SESSA: I do know the City of Newark ACO says their feasibility study is due in July.

COMMISSIONER RODRIGUEZ: I'm telling you, I know it's not going.

MR. SESSA: And the final two slides that we have, again, is just the summary of the meeting

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with the DEP.

We had a 30 percent meeting on April 1st.

The 80 percent meeting on Thursday, coming up on Thursday.

And then at their suggestion, 100 percent meeting would be simply a conference call to go

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over any other revisions we need to make based on what comes out on Thursday.

COMMISSIONER DeVITA: What would you say Thursday with their feedback?

MR. BELLA: I think it's pretty much what we're talking about, you know, good. I think they're more interested in making sure that we meet that end date. We got the report. They got everything. But I think their feedback is going to be simple. Whatever we can do to increase storage is what will make them happy.

COMMISSIONER KOLODZIEJ: They'll be thinking regional, which I think what I read water storages in the future, et cetera, is the only way to go. I think we must be way ahead of the curve as far as what we've done. And when I see people dragging their feet, I think these State mandates and entities like us are put in a bind.

I think time is of the essence, the fact

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we go out to bid we get better prices than if we wait two or three years.

So all of these things I guess will be discussed when you talk to the DEP. And I am, since this is a national endeavor, I would think that the Federal Government should be making some sort of effort to partially make funds available and, you know, State of New Jersey better be on top of that so people like us, if we're ahead of the curve, can take advantage of this.

That's just my opinion.

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COMMISSIONER RODRIGUEZ: If you follow the State of New Jersey News and Federal funding, if they can do without it, they will, because they don't want any part of it.

MR. SESSA: Just a final slide.

MR. AIETA: I just want to make one point here if I could just so it's clear.

The engineering recommendation is alternative seven. That's what we're going forward with.

I thought it would be good to say.

PRESIDENT SANCHEZ: Thank you.

COMMISSIONER BAZIAN: I appreciate the clarity.

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MR. SESSA: The last slide, the submission of the final feasibility study is due to the DEP on September 9.

Thank you.

MR. AMODIO: Thank you, gentlemen.

PRESIDENT SANCHEZ: Thank you for your good job.

COMMISSIONER RODRIGUEZ: Great job, by the way. I didn't expect anything less, Joe, you know, thus far.

MR. BELLA: Commissioners, I'm going to ask Jim to go to work with them. They're getting ready for Thursday.

MR. AMODIO: You want to do the Comptroller's Report and then closed session?

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PRESIDENT SANCHEZ: Any other professionals, George, out there?

MR. HANLEY: I think most of this is closed session.

PRESIDENT SANCHEZ: It is? Are you sure?

MR. AMODIO: You want to go into closed.

PRESIDENT SANCHEZ: All right. Let's do the Controller's Report.

MR. WEISS: Okay. Just relatively quickly.

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Cash on hand is now 9.8 million.

Accounts receivable are 11.4 million. 11 million of that is 30 days or less, which is about 96 percent.

Our accounts payable is at 3.6 million.

And that's pretty much it.

You have the self-insurance report for the quarter. That summarizes our self-insurance funds.

If you have any questions?

PRESIDENT SANCHEZ: How are we doing with all of the reports? Are we on time on any of the reports for the quarterly? I thought we were going to get --

MR. WEISS: The financials you have. The May financials you have. We're usually a month behind on the financials. At the finance committee meeting yesterday they directed me that they wanted specific reports related to overtime and one other that I don't have a copy here,

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there's one other they wanted, budget, I'm sorry, the budget for the coming year. I have a deadline for that. So we're working on it.

MR. AMODIO: Any other questions?

No other questions. We can go to closed

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session.

Can I have a motion?

COMMISSIONER DeVITA: So move.

COMMISSIONER KOLODZIEJ: Second.

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

whereas, Section 8 permits of the Open Public Meetings Act, permits the exclusion of the public from meeting in certain circumstances; and.

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

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

1. The public shall be excluded from discussion of the hereinafter specified subject matters; the general nature of the subject matters being: Financial, Insurance, Personnel, Contracts, Negotiations, Security, various litigation, West Milford, Beatties Dam, Parking Lot Issue, Supervisors Contract, Health Benefit Change Update, New Hires, Amendment to Project 26 and wholesale water Allocations.

2. It is anticipated --

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MR. HANLEY: Excuse me. I have one I want

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to add, just a brief one, but I want to do it in closed session it relates to background checks.

MR. AMODIO: Also background checks.

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

3. This Resolution shall take effect immediately.

Second by Commissioner Kolodziej.

On the roll.

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

MR. AMODIO: Time is 11:50.

You have a quorum.

We're going to move on to the Consent Agenda.

Minutes of the Passaic Valley Water Commission in camera session and Regular Public Meeting of June 16, 2010 and from Linda Beckering,

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Buyer, Purchasing Department Reports of Miscellaneous Orders Placed for the period

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6/7/2010 to 7/4/2010.

COMMISSIONER KOLODZIEJ: I just need a correction. It's not Lynann's fault because the dynamics in here are so hard, she can't hear.

On page 15, the word I was using was dimension, not dementia. It doesn't make sense. It's a minor correction. I don't think requires a motion. I would like it to read "dimension." If Commissioner Sanchez wishes to change, "Go kill yourself," that's his prerogative.

COMMISSIONER BAZIAN: How about liking your men strong?

COMMISSIONER KOLODZIEJ: Thank you for that. Yes, I skipped right over that. That can stay.

MR. AMODIO: Motion.

COMMISSIONER KOLODZIEJ: So move.

COMMISSIONER DeVITA: Second.

COMMISSIONER BAZIAN: Abstain on the minutes. Yes on the other.

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

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Bazian having abstained on the minutes)

MR. AMODIO: Next. Contract #10-B-17. Furnish and Deliver Utility Vehicles and Appurtenances. Recommendations to Delux International Trucks, Hackensack, in the amount of

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285,728.

Discussion.

COMMISSIONER DeVITA: Question.

we only had one bid on this?

MR. BELLA: Yup.

COMMISSIONER DeVITA: Is this for trucks?
I didn't see what it was for. It says utility.

MR. BELLA: Yes. They're off of the
contract -- not -- they're off the capital budget.
They're the big trucks.

COMMISSIONER RODRIGUEZ: we bonded for
this, right?

MR. BELLA: These are the big trucks.

COMMISSIONER DeVITA: You're comfortable
with this number?

MR. BELLA: Yeah, that's about what we
anticipated.

MR. AMODIO: Motion?

COMMISSIONER KOLODZIEJ: I'll move.

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COMMISSIONER BAZIAN: Second.

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

MR. AMODIO: Next will be Interlocal
Service Agreement with USGS to operate and
maintain water resources investigations to monitor
chlorophyll and four classes of algae on the
Passaic River below Two Bridges, for a six-month
period from July 1, 2010 to January 31st, 2010, in

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the amount not --

MR. HANLEY: 2011.

MR. AMODIO: 2011, not-to-exceed \$13,430.

Discussion.

COMMISSIONER DeVITA: Move.

COMMISSIONER KOLODZIEJ: Second.

MR. AMODIO: On the roll.

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

MR. AMODIO: Next will be Contract #10-B-27. Water Main Cleaning and Lining, Clifton and Lodi, New Jersey. Recommendations to award a

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one year contract to J. Fletcher Creamer & Sons and Spiniello Companies a joint venture, out of Hackensack, New Jersey, in the amount \$2,054,560.

COMMISSIONER DeVITA: So move.

COMMISSIONER VANNOY: Second.

MR. AMODIO: On the roll.

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

MR. AMODIO: Motion approved.

Moving along. I have a Resolution authorizing the Passaic Valley Water Commission to increase its Bid Threshold from 25,000 to \$36,000 in accordance with the criteria established under

Motion.

COMMISSIONER RODRIGUEZ: When was this established? When was this threshold --

MR. AMODIO: No, we're moving --

COMMISSIONER RODRIGUEZ: We're moving it based on the State, yeah. I'm talking about the State.

MR. HANLEY: I think it was fairly recently.

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MR. WEISS: Within the last month.

COMMISSIONER KOLODZIEJ: I'm not prepared to move it.

COMMISSIONER BAZIAN: Can I ask for a 30 second discussion?

What was the meaning of the increase.

MR. HANLEY: It means that they can award bids strictly on quotes as opposed to doing a formal bid. It's always existed but the State is doing it by way of regulation, which they're authorized to do local government services.

COMMISSIONER RODRIGUEZ: To do what kind of services, emergency repairs?

MR. HANLEY: No.

COMMISSIONER RODRIGUEZ: Professional services?

MR. HANLEY: Any purpose.

MR. WEISS: Any -- just a clarification.

COMMISSIONER RODRIGUEZ: Wait, wait. I want an explanation. Is this for an emergency?

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Is this for paint?

MR. HANLEY: No, no.

COMMISSIONER RODRIGUEZ: George, let me finish. Is this for professional services? I want to know.

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MR. HANLEY: No, it's not for professional services.

COMMISSIONER RODRIGUEZ: Okay.

MR. WEISS: It's 29,000, that was the bid threshold originally, not 25,000, clarification.

COMMISSIONER RODRIGUEZ: I thought it was 29,000.

MR. AMODIO: We'll change the Resolution to reflect 29,000.

Anything further?

COMMISSIONER KOLODZIEJ: Just a clarification, George.

If the State has set this in motion, then we are required, are we not, to do --

MR. HANLEY: I think it's discretionary. I will check.

COMMISSIONER KOLODZIEJ: If it's discretionary, can we hold this up. I think that's what your point was. If we have discretion, let's talk about it then. If we don't have discretion, we have to do it. So it can wait until August.

MR. AMODIO: Hold.

COMMISSIONER RODRIGUEZ: The reason I

bring this up, if I may, is as the Treasurer I saw

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a lot of discrepancies in, you know --

COMMISSIONER KOLODZIEJ: We're working on it.

COMMISSIONER RODRIGUEZ: When I was signing -- and we're working on that now, but I saw a lot, last year there were a lot of discrepancies and contracts that were over and they were still using the money, so I'd like a better clarification on this.

MR. AMODIO: Okay. We will hold until the August meeting.

Next. Summary of Disbursements --

MR. HANLEY: Just so I can, I think I understand what you're -- this would have nothing to do with, like, a pay-to-play award contract.

COMMISSIONER DEVITA: I think it's just --

COMMISSIONER RODRIGUEZ: I think any contract.

MR. WEISS: It doesn't have anything to do with any contract whatsoever.

MR. HANLEY: These are contracts.

COMMISSIONER DEVITA: We're talking about chemicals or whatever. We're talking about anything.

COMMISSIONER RODRIGUEZ: There was a fence

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put up, a gate put up for like \$9,000.

MR. WEISS: No, no. The State established
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a threshold beyond what you must go out to bid. The threshold that was established was by the purchasing agent, which is Linda is \$29,000. This is a number adjustment.

COMMISSIONER DEVITA: I understand. What kind of contracts?

MR. WEISS: Not contracts, purchases. If we have to go out and buy something beyond this threshold, we're mandated we have to --

COMMISSIONER DEVITA: We don't have to get quotes?

MR. WEISS: We still have to get quotes. It has to be a formal bid.

MR. HANLEY: This is not a new concept. What's different is the number.

COMMISSIONER DEVITA: The amount.

MR. AMODIO: We will hold it until the August meeting.

COMMISSIONER RODRIGUEZ: Yes.

COMMISSIONER BAZIAN: So the levels are within the proposal? Under \$5,400 is one, between 54 -- is that set by statutes --

MR. BELLA: That's a minimum. I think one

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is the minimum and then it goes you only need two, up to the top 36, but we internally say --

COMMISSIONER BAZIAN: We need three, okay.

MR. AMODIO: Summary of Disbursements and Payroll in the amount of \$6,583,756.44. Treasurer has signed off on them?

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Yes, he has.

Can I have a motion?

COMMISSIONER KOLODZIEJ: So moved.

COMMISSIONER VANNOY: Second.

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

COMMISSIONER DeVITA: I abstain on Vito's
Towing.

MR. AMODIO: Next will be recommendations
from closed session.

Resolution Amending Project #26
Contract-CH2MHill relation to Filtration Services
Expanding the Scope of Services to add under drain
hydraulic assessment in the amount not-to-exceed
\$155,146.

Do I have a motion?

COMMISSIONER KOLODZIEJ: So moved.

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COMMISSIONER VANNOY: Second.

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

MR. AMODIO: Next will be Personnel.
would you like to do them all as one?

COMMISSIONER BAZIAN: with the exception
of C.

MR. AMODIO: I'm going to say that.

A, B, D and E.
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C has been tabled.

Do I have a motion?

COMMISSIONER DeVITA: B is changed to 68.

MR. AMODIO: Let me read it off.

Lilia Negrete-Bookkeeper.

Salary: \$45,000.

Salary Range: \$45,000-\$55,000.

Esther Gluck-Senior Accountant.

Salary: \$68,000.

Salary Range: \$60,000-\$85,000.

Colleen Barnwell-Electrician.

Salary: \$50,000.

Salary Range: \$18,983- \$67,743.

Meyer Rosenberg-Electrician.

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Salary: \$50,000, with the same range.

Both of them are \$50,000.

Do I have a motion?

COMMISSIONER VANNOY: So move.

COMMISSIONER BAZIAN: Second.

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

MR. AMODIO: Approved.

I have nothing else.

If there's any committee reports.

None.

I have nothing under Good and welfare.

Next will be the meeting will be

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August 18th at 9:30 a.m.

Would you like to adjourn the meeting,
Madam Chairman?

COMMISSIONER RODRIGUEZ: Meeting
adjourned.

MR. AMODIO: Time is 12:02.

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