RAHWAY VALLEY SEWERAGE AUTHORITY

Summary of Minutes

Regular Meeting held January 18, 2007

- Communications
  Letter from the Borough of Garwood.
  Letter from the Township of Clark.
  Letter and Resolution from the City of Rahway.

- Minutes
  Approved the minutes of the Regular Meeting held December 21, 2006.

- Treasurers Reports
  Treasurer's reports for the month of November 2006 were received.

- Interim Executive Director
  Sewer Connections and the status of various contracts.

- Consulting Engineer
  Overview of contracts; flow rights and user charge reports.

- Counsel
  Overview of legal matters.

- Committees
  Reports were made by the Engineering, Finance, and Nominating Committees.

- Unfinished Business
  None.

- New Business
  Approved the following: Reject proposals received on Contract #0713; Prepare and advertise RFP for Evaluation of User Charge System; Enter into Agreement with Agent for Energy Aggregation.

- New Business (Cont'd.)
  Approved the following expenditures: Award of Contract #0706 to Camp, Dresser & McKee in an amount of $17,600.00.

- Bills and Claims

Fund Description	Fund#	Amount
OPERATING FUND	6-01	496,223.66
OPERATING FUND	7-01	450,985.79
BUILDING & EQUIP FUND	6-02	4,797,671.12
TOTAL ALL FUNDS:		$5,744,880.57

RAHWAY VALLEY SEWERAGE AUTHORITY
Regular Meeting Minutes – January 18, 2007

The Chairman called the meeting to order at 8:00 p.m.

The Chairman read the statement on "Open Public Meetings Law".
In accordance with the requirements of the Open Public Meeting Act, State of New Jersey, adequate notice of this meeting has been provided by the inclusion of the date, time and place in a Notice which was forwarded to the Star Ledger, the Home News Tribune and was filed with the Clerk of each of the eleven member municipalities on February 14, 2006 and again January 16, 2007.

The Chairman asked if any member of the body believed that this meeting was being held in violation of the provisions of the Open Public Meetings Act; to please state their objection and the reasons for same.

Hearing no objections, the Chairman stated we shall proceed with our regularly scheduled meeting.

The Chairman requested that everyone stand to salute the Flag and observe a moment of silence for our servicemen and women overseas.

Roll Call

The following members were present:

Rosalie F. Berger	for the Township of Springfield
Allen Chin	for the Town of Westfield
Charles Lombardo	for the Borough of Garwood
C. Clark Landale	for the Borough of Mountainside
Robert G. Luban	for the Township of Woodbridge
Thomas J. McHale	for the Borough of Kenilworth
James J. Murphy	for the Township of Cranford
Joan Papen	for the Township of Scotch Plains
Attilio S. Venturo	for the Borough of Roselle Park

The following members were absent:

Frank G. Mazzarella	for the Township of Clark
James J. Kennedy	for the City of Rahway

The following were also present:

Michael J. Brinker, Jr., P.E.	Interim Executive Director
Robert J. Materna	Secretary-Treasurer
Joanne Grimes	Office Administrator
James Wancho, P.E.	Consulting Engineer
Brian Hak, Esq.	Counsel
James Cassella	Asst. to the Executive Director
Robert Valent	Superintendent

The following were also present (cont'd.):

Jean Manigold	Laboratory Supervisor
Thomas Macaluso	Asst. Laboratory Supervisor
Robert Poltz	MIS Manager
Lino D'Almeida	CCMS
Manny Parada	CCMS
Joe Reid	J.H. Reid Construction
Wayne Baker	Westfield Leader Newspaper

Communications

The following letter addressed to Michael Brinker, Interim Executive Director, was received December 16, 2006, from Christina M. Ariemma, RMC, Borough Administrator/Clerk for the Borough of Garwood:

> "The Mayor and Council of the Borough of Garwood discussed the information from the Mayors Forum on November 30, 2006, and feel there is not a sufficient amount of information to make a decision to privatize the sewerage Authority at this time. They recommend that the idea be revisited about one year after the new plant has been online.
>
> If you have questions, please do not hesitate to contact me."

The following letter addressed to Michael Brinker, Interim Executive Director, was received December 18, 2006, from John Laezza, Business Administrator for the Township of Clark:

> "The Township of Clark is now formally disputing the inter-community credits that have been in use by the Authority. In our opinion, RVSA's methodology of assessing member communities, as shown on the attached calculations reflects that RVSA has been significantly overcharging the Township of Clark for decades. RVSA has been metering Flow, TSS and BOD at meters 9, 10, 11 and 13 yet continues to rely on outdated and inaccurate estimates as a result of past practices. RVSA has also not adequately resolved disparate testing data resulting in inaccurate assessments to its member communities.
>
> Clark/Cranford adjustment – 380 units
>
> Our records indicate average BOD readings of 125 mg/l, TSS of 105 mg/l and, using the RVSA's figure of 300 gpd per unit, a flow of 0.114 MGD at meter 13. Clark is charged 200 mg/l for both TSS and BOD on flow that represents 12.96% of the overall metered flow. Water records reveal that water usage of Clark homes in the adjustment area is .076 MGD or only 8.65% of the metered flow.
>
> Utilizing the actual readings Clark is overcharged 37,862 Gal and 100 lbs of BOD and 123 lbs of TSS daily resulting in an annual overcharge in excess of $40,000.00. This process has been perpetuated for decades and must cease.

The Township of Clark believes that the RVSA should quantify the amount of the overcharge for the past 20 years and should promptly reimburse the Township.

Clark/Westfield adjustment – 60 units

Similarly, Clark is assessed for flow of 18,000 gpd and TSS and BOD of 200 mg/l. While the water company has not yet provided flow data for homes in the adjustment area, RVSA reflects meter flow at 4.89 MGD, TSS at 142 mg/l and BOD at 161 mg/l. Clark therefore represents approximately 0.37 percent of the metered flow and is overcharged approximately 1.6 tons per year in TSS and 1.1 tons per year in BOD at an annual cost of approximately $2,200.00. Again, these overcharges have been perpetuated for decades.

The Township requests that RVSA calculate and reimburse the Township for 20 years of this overcharge.

Further, we note that the Township of Cranford has achieved a BOD average of -0.41 tons per day and a TSS average of -0.91 tons per day. In our opinion, these levels are not possible without treatment and are certainly outside recognized Engineering standards. We note that Clark is assessed 6.01 tons of BOD and 2.80 tons of TSS daily on average flow of 2.08 MGD. Westfield has 2.31 tons of BOD and 2.24 Tons of TSS daily on average flow of 3.74 MGD. Cranford has average flow of 3.37 MGD.

As the cost of treatment of these items significantly impacts the percentages assessed to the member communities, we believed that the RVSA has neglected its obligation to accurately assess the validity of the data it collects resulting in significant overcharges to the Township of Clark. We note that RVSA has contracted with an outside lab to monitor BOD and TSS with results that significantly differ from in-house RVSA measurements. We further question the figures for TSS and BOD assessed by RVSA in the year end status report that lies between the two readings. We believe that an explanation regarding the disparity between RVSA in house readings and the outside lab should be forthcoming. In our opinion, most results should be within a narrow range of acceptable levels not with variance exceeding 20 percent. We feel compelled to point out that the percentages of total cost of operation appear to vary by 1-2 percent and as much as 5 percent. These variances represent significant cost to the taxpayers of the member communities.

In our opinion, the RVSA must undertake a verification program to quantify this issue and further, that the Township of Clark be reimbursed for what is clearly an overcharge.

Further BOD as measured at meter 11 is 200 mg/l. However, with 4.82 MGD at meter 9, 10.26 MGD at meter 10 and 16.49 MGD at meter 11, to achieve this BOD level on Clark's l.41 MGD would exceed 950 mg/l on a weighted average. This level also is clearly beyond recognized Engineering standards and is without explanation. This is clearly another example of RVSA's failure to recognize the validity of its data.

In our opinion the Township of Clark is again the victim of the RVSA's failure to properly account for sewerage characteristics billed to the member communities in general and Clark in particular. We would therefore request that RVSA develop and implement a verification program to quantify this issue and make reimbursement to the Township and other member communities as may be appropriate.

Lastly, the Township has received no explanation of flow anomalies previously identified in corresponded to RVSA regarding apparent flow reversal between Clark and Rahway during periods of high flow. We continue to assert that Rahway cannot achieve greatly reduced or negative flow levels and greatly reduced or negative levels of TSS and BOD during high flow periods as was periodically reported. We believe that the RVSA has also failed to investigate and respond appropriately to the issues raised by Clark in a timely manner.

We believe that the Authority has left us with few options to address this matter. In our opinion, Clark residents have been paying dearly for decades of poor past practices by the RVSA and we will not allow these practices to continue unchallenged. If the Township does not receive an appropriate formal response from the Authority, the Township will be forced to litigate this matter on behalf of the citizenry.

Thank you for you anticipated cooperation in bringing this matter to a successful conclusion."

The following letter dated January 5, 2007, was sent to John Laezza, Business Administrator for the Township of Clark from Michael Brinker, RVSA Interim Executive Director, in response to Mr. Laezza's letter dated December 14, 2006, noted above:

"The Rahway Valley Sewerage Authority (Authority) acknowledges receipt of your letter dated December 14, 2006 concerning the Township's formal dispute of the inter-community credits utilized by the Authority to adjust the annual user charge allocation. The Authority's use of municipal adjustments affects a total of five (5) member municipalities, including Clark, and for this reason the Authority must assess these concerns on a broader basis. Any discussions regarding the intercommunity adjustments and any other user charge related issues must be addressed at the Board level because of the potential impacts to the user charge allocation.

The Board has recently directed the Authority staff and its consulting engineer to conduct an evaluation of the overall user charge system methodology, including a review of the metering, sampling and municipal adjustment procedures. The Authority will include review of the Township's comments in this evaluation. In order to assist the Authority in our review it would be appreciated if you would forward any data or records supporting the conclusions in your letter for our review. The results of the evaluation will be presented to the Board in the near future.

Accordingly, until the Authority's evaluation is complete and Clark's supporting data is

received and reviewed, any request for reimbursement at this time is premature. There have been no administrative findings either presented to or made by the Board indicating that the Authority has engaged in perpetual overcharging or negligent actions.

If you would like to meet to discuss the issues raised in your letter please contact me so that a mutually agreeable date can be arranged."

The following letter and Resolution #AR-36-07 addressed to Joanne Grimes, were received January 11, 2007, from Jean D. Kuc, RMC City Clerk for the City of Rahway:

"Enclosed please find a certified copy of a Resolution appointing Peter H. Pelissier as a Commissioner to the Rahway Valley Sewerage Authority for the City of Rahway.

A certified copy of the Resolution will be forwarded to the Secretary of State with the filing fee.

Resolution: BE IT RESOLVED by the Municipal Council of the City of Rahway that Peter H. Pelissier of 200 Lewis Street, Unit 400, Rahway, NJ 07065 is hereby appointed as the City of Rahway's representative on the Rahway Valley Sewerage Authority, for a term expiring on February 1, 2012."

Approval of Minutes

Mr. Chin made a motion, seconded by Mrs. Berger, to approve the minutes of the Regular Meeting held December 21, 2006. The motion was unanimously approved with the exception of Messer's Landale, Lombardo, Luban and Venturo who abstained.

Report of Treasurer

The Treasurer's Reports for the month of November 2006 have been distributed to the Commissioners. A copy will also be attached to the Minutes.

Report of Interim Executive Director

Sewer Treatment Endorsements

The following is a list of Sewer Treatment Endorsements processed between 12/07/06 and 1/16/07:

Number	Date	Applicant	Municipality
930-06-CL	12/07/06	Rick Jaruczyk	Clark
931-06-CL	12/07/06	Rick Jaruczyk	Clark
932-06-KW	12/08/06	Paparatto Construction	Kenilworth
933-06-WB	12/11/06	Palent & Matilsky	Woodbridge
934-06-WB	12/11/06	Quyen Tran	Woodbridge

935-06-KW	12/18/06	Crincoli Construction	Kenilworth
936-06-RW	12/21/06	Steven Carlson/Dornock	Rahway
937-07-CL	01/02/07	PSE&G/Raymond Tripodi	Clark
938-07-CR	01/02/07	Jayeff Construction Corp.	Cranford
939-07-WB	01/12/07	Palent & Matilsky	Woodbridge

Monthly Reports

The following monthly reports were received and distributed to the Commissioners:

PS&S Consulting Engineering *
CCMS - Contract #105 – Cogeneration Facility *
CCMS - Contract #155 – WWTP Upgrade *
CCMS - Contract #156 – Gravity Relief Sewer *
Weiner Lesniak - Monthly
Murray Montgomery & O'Donnell – Monthly *
RVSA Superintendent – 2006 Summary Operations
RVSA Superintendent – Monthly Grievances
RVSA IPP Coordinator – IPP Activities *

* Discussed at the Engineering Committee Meeting held January 11, 2007.

Mr. Brinker noted that representative from CCMS and J.H. Reid were in attendance to discuss the status of Contract #105 with the Commissioners and suggested that they address the board at this point in the meeting.

Counsel stated that he would like to go into closed session for a few minutes to address the Commissioners.

Closed Session

Mr. Chin made a motion to go into closed session at this time, 8:05 p.m. to discuss matters related to pending and/or anticipated litigation based on Attorney/Client privilege. The motion was seconded by Mr. Lombardo and unanimously approved.

Mr. Lombardo made a motion to return to the regular order of business at this time, 8:07 p.m. The motion was seconded by Mrs. Berger and unanimously approved.

Suspend the Regular Order of Business

Mr. Chin made a motion, seconded by Mr. Luban, to suspend the regular order of business to hear from Mr. Reid and Mr. Parada. The motion was unanimously approved.

Mr. Reid of J.H. Reid Construction Co. addressed the Board first. Mr. Reid apologized for missing the Engineering Committee Meeting held January 11th. Mr. Reid noted that Contract #105 is a very difficult project which his firm knew when they bid on it. He added that there

have been an extreme amount of Change Orders to this contract, all for the betterment of the project, however, they add to the issues.

He added that Caterpillar will be at the plant on February 25th with an anticipated start up date of March 25th. He continued on to say that he is waiting for the State to approve the Boiler issues and the anti-explosion equipment.

Mr. Reid stated that his company has made the determination to move forward with the work on this contract, without the necessary approvals on the various change orders. He added that they can't wait the time it takes to process every drawing, etc. The process is dragging on. Mr. Reid stated that he has been in business for 30 years and has not ever been in court and would prefer to keep it that way. He told the Commissioners and staff that he was asking for a "fair deal". He will continue with the work although he hasn't received the necessary approvals to do so, but hoped that the Authority will treat him fairly. He thanked the Commissioners for their time.

Mr. Parada of CCMS addressed the Board. He stated that since his last report, J.H. Reid has increased manpower and electricians, they have Change Orders in to be processed, most of which are related to electrical, and noted that CCMS is trying to look at each one individually. Mr. Parada noted that CCMS feels that J.H. Reid is entitled to additional monies on some; some Change Orders have been rejected; and some CCMS is waiting for more information on. Once CCMS has compiled everything, which they anticipate will be by March, they plan to make a presentation to the Board for a determination by the Authority.

Several Commissioners commented that CCMS should continue negotiating the Change Orders with J.H. Reid; keep progressing on this contract, and told them not to come to an impasse.

After brief discussion the Commissioners thanked both firms for attending the meeting, and then Mr. Luban made a motion to Return to the Regular Order of Business. The motion was seconded by Mr. Chin and unanimously approved.

Return to Regular Order of Business – Interim Executive Director's Report (Cont'd.)

Sale of 2001 Ford Crown Victoria

Two bids were received for the car as advertised; however, both bids were well below the minimum bid amount of $4,000.00 as noted below:

Grace Quality Used Cars Morrisville, PA	$1,656.00
Bay Ridge Motors Inc. Staten Island, NY	$2,219.00

A letter was sent to both bidders rejecting their respective bid as neither complied with the bid requirements. Since this was the second attempt at auctioning the vehicle and we did not receive our asking price, I recommend that the Authority retain the vehicle for plant use. At the Engineering Committee Meeting, a question was raised regarding the cost to insure this vehicle.

Robert Materna, the Secretary-Treasurer has advised that based on a composite rate, the cost is about $700.00 annually.

Contract #0706 – 2007 Administration of the Authority's Biosolids Hauling and Reuse Contract

A Request For Proposal was posted on the Authority's website and a copy was sent to our present consultant. On Tuesday, January 9, 2007, one proposal was received as follows:

Camp Dresser & McKee Edison, NJ	$17,600.00

Counsel reviewed the proposal and found it to be in order. CDM is our present consultant for these services. Their fee for 2006 was originally $16,500.00; however, due to the lengthy negotiations on the biosolids contract, the contract amount was amended to $49,000.00. The fee for 2007 reflects a 6.5% increase over the original 2006 fee, but a 64% decrease from the final 2006 amount. Based on the quality of services that they have previously provided to the Authority, I recommend awarding the contract to them. This matter was discussed at the Engineering Committee Meeting and a motion is on the agenda under New Business

Contract #0713 – 2007 Lobbyist Services

A Request For Proposal was posted on the Authority's website and a copy was sent to our present consultant. On Tuesday, January 9, 2007, one proposal was received as follows:

Murray, Montgomery & O'Donnell Washington, DC	$10,000.00/Monthly Retainer Max. $600.00 Travel Reimbursement

The proposal was forwarded to Counsel for review. Counsel has advised that Murray, Montgomery & O'Donnell again failed to provide the Stockholder Certificate Disclosure Form which is a non-curable deficiency. This contract will have to be re-advertised if the Commissioners wish to contract for these services for 2007.

The Engineering Committee deferred this matter to the Finance Committee for further review and consideration. The Finance Committee discussed this matter earlier this evening and recommends re-advertising for proposals.

Linden Landfill

Correspondence was received from the City's Consultant and was forwarded to the Commissioners. My recommendation is to discontinue further discussions and respond to the City that the Authority is no longer interested.

There was a lengthy discussion regarding this matter at the Engineering Committee Meeting held January 11th. Subsequently PS&S was requested to provide the Authority with a Proposal to perform a Feasibility Study with regard to engineering, technical and economical issues. At the January 11th meeting, Counsel suggested that a Memorandum of Agreement (MOA) with the

City of Linden, be prepared and entered into, should the Feasibility Study, if performed, determine that this is viable and economically justifiable.

The Board directed Counsel to send a letter from himself on the Authority's behalf to the Mayor and Council of the City of Linden. Counsel stated he would do so.

Contract #105 – Cogeneration/Sludge Drying Facility

A letter dated December 21, 2006 was received from CCMS regarding Contract #105. A copy of this letter was distributed to the Commissioners for review. Discussion was held on this matter in closed session at the Engineering Committee Meeting. Mr. Reid of J.H. Reid the General Contractor for this job was requested to attend tonight's meeting to discuss with the Commissioners, the current contract status and respond to any questions or comments from the Commissioners.

Clark Township – Disputed Charges

A letter dated December 14, 2006 was received from the Township of Clark regarding their dispute of flow right user charge allocations. A response was provided by staff. A copy of the letter and the response were sent to the Commissioners via email. This matter was discussed in closed session at the January 11th Engineering Committee Meeting.

Based on our discussion last week, I requested authorization to prepare an RFP to solicit proposals from Consultants to perform an evaluation of the Authority's methodology for monitoring the contributions from the members, methodology used to prepare the annual user charge assessments, and potential alternatives to the present billing system. The Commissioners provided verbal approval at the Engineering Committee Meeting and a formal motion is on the agenda under New Business.

Electrical Energy Aggregation Program

The Authority has been a part of an electric energy aggregation group for the past several years. The group, headed up by the Mount Holly MUA, sought proposals for a Registered Energy Agent to represent the group in the solicitation of Electrical Energy. James Cassella, RVSA Assistant to the Executive Director, attended meetings which were recently held to discuss and hear presentations from proposed agents. The group is recommending, and Mr. Cassella concurs with the recommendation to appoint Gable Associates of Highland Park, NJ. A resolution is on the agenda under New Business.

Report of Consulting Engineer

The following report to the Authority's Engineering Committee summarizes our activities for the period of December 2, 2006 through January 12, 2007.

JCO Compliance

No activity. The fourth quarter report is due at the end of January 2007.

Laboratory Renovation-Contract #145

The contract credit covering the settlement amount has been implemented and the contract is currently in the Maintenance Period. PS&S is awaiting direction from the NJDEP regarding any required loan related follow-up.

Administrative Appeals Re: Air Quality and TWA Permits

PS&S continues to coordinate activities with General Counsel and Special Counsel, Hall & Associates.

Trunk Sewer Rehabilitation-Contract #144

PS&S issued the Notice of Award to Marvec and received the submittal of contract documentation and the signed contracts. After several insurance certificate re-submittals by the Contractor it appears that all the issues with the insurance certificate have been worked out and we are awaiting a full re-submittal of the complete insurance certificate. The Contracts will require signature by the Board and then PS&S will set up a pre-construction meeting to kick-off construction activities.

Wastewater Management Planning

PS&S continues to provide assistance related to the Wastewater Management Plan (WMP), including issues related to the adoption by the NJDEP of the mapping and facilities table, and the revision of mapping based on previous amendments that were implemented by NJDEP pursuant to approved TWA permits endorsed by the Authority. PS&S contacted the NJDEP to determine what their requirements were and have completed the revisions to the mapping.

Cogeneration Funding

PS&S continues to track the status of the BPU Office of Clean Energy Renewable Energy Advanced Power Program grant application and have been responding to NJBPU questions. PS&S has apparently satisfied all the NJBPU comments/requests and based on recent discussions it appears that the application is on track for approval at their January 17th Board meeting.

Cogeneration Facility-4th Engine Design/Permitting

PS&S has been tracking this Title V air permit significant modification application on behalf of the RVSA since it was originally submitted to NJDEP Bureau of Operating Permits (BOP) on October 13, 2005. The purpose of the modification was to add the 4th engine generator and revise the equipment details and emissions for the gas engines based on data provided by the various equipment vendors during the facility construction. On or about October 31, 2006 the draft permit was finally issued for public comment with comments due by December 6, 2006.

PS&S assisted the Authority with comments on the draft permit that were submitted during the comment period. One item to note is that the PM-10 (particulate) emission rate contained in the permit has not been updated based on comments provided by PS&S/RVSA to NJDEP on the 3 previous pre-draft permits. The limit currently contained in the draft is problematic for the engines to comply with. PS&S will continue to follow up on this issue with the NJDEP.

Digester Brick Replacement-Contract #157

PS&S has completed the design drawings and the specifications for the project. Copies of the drawings were sent to the Interim Executive Director for review and the resulting comments were incorporated. The "front end" was sent to General Counsel for review and PS&S has incorporated the resulting comments. PS&S will issue the documents for bid in January so that receipt of bids and the issuance of a Notice to Proceed will occur when the weather is better suited to this type of construction.

General Consulting

PS&S has provided assistance to the RVSA staff, with evaluation of the user charge system, including review and evaluation of data and issues related to the Township of Clark.

User Charge and Flow Rights Reports

December reports covering November 2006 were finalized and submitted during this period. January reports covering December will be prepared and submitted when the required data has been received.

Mr. Wancho stated that revised reports have been distributed. He noted that this was due to erroneous data from Meter #19.

Report of Counsel

The following is a summary of all General Counsel Services that have been provided by this office to the Rahway Valley Sewerage Authority for the time period covering December 5, 2006 through January 15, 2007.

CSP Improvements & related issues

Contracts #155 & #156

Continued follow up with CCMS regarding insurance coverage expirations. CCMS has provided an updated insurance certificate showing renewals of its general and excess liability insurance policies. All policies are now current.

Administrative Appeals Re: Air Quality Permit and Treatment Works Approval

We have been working with the Authority's consultants and co-counsel on appealing conditions

of the Air Quality Permit and Treatment Works Approval that have been issued for the CSP Project. A hearing date has been scheduled for January 2007 regarding the Air Quality Permit appeal. We have been having discussions with NJDEP on resolving the remaining issues on appeal with respect to this permit.

With respect to the Treatment Works Approval, there was a resolution on the agenda for the October 19, 2006 Regular meeting authorizing the execution of a Stipulation of Settlement with NJDEP resolving two (2) of the three (3) remaining issues in the appeal. The third issue has since been consolidated with the appeal that was filed regarding the Authority's NJPDES permit.

Barnett Street Acquisitions

A surveying error has caused the pipe for the gravity relief sewer to be laid slightly off course and outside of the public right-of-way necessitating the acquisition of two (2) relatively small easements from two private property owners. With the assistance of the contractor, we are preparing the necessary documents for the acquisition of the easements. The contractor will reimburse the Authority for all legal costs incurred. We have communicated with the two affected property owners and they are cooperating in conveying to the Authority the required easements.

Miscellaneous

Methane Gas from City of Linden Landfill

The City's consultant has sent a letter to the Authority dated January 5, 2007 in which it provides a proposed price for its methane gas to be paid by the Authority as well as requested payments from the Authority in order to secure its rights to the gas. The letter was discussed at the January 11, 2007 Engineering Committee meeting and the Board directed that this office confirm in writing with the City that it will continue to honor its commitment to the Authority pending the results of a feasibility study to be conducted by an outside consultant should the Board choose to move forward with such a study.

NJPDES Permit Appeal

Met with NJDEP and have been able to resolve most of the outstanding issues and have made significant progress on the remaining issues. The case has now been consolidated with the TWA appeal and, therefore, all remaining issues from both appeals will be considered together.

Miscellaneous Contracts

Performed legal research and had several meetings and telephone conferences with Mike Brinker and CDM regarding issues involving the biosolids reuse and hauling contract. We have also reviewed the bond and insurance documentation that has been provided by the selected contractor, Gary W. Gray Trucking.

We have reviewed all of the responses to the RFP's for the various professional services

contracts that were recently advertised by the Authority for the 2007 year and have issued reports on same to the Interim Executive Director.

Privatization/Contract Operations

Attended the Mayor's Forum that was held on November 30, 2006.

Occidental Chemical/Tierra Solutions – Potential litigation

We attended a presentation on July 12, 2006 with Mike Brinker and Bob Materna regarding the Notices of Potential Lawsuit that the Authority recently received from Occidental and Tierra. The lawsuit that was originally filed by NJDEP in state Superior Court was removed to federal District Court. The District Court, on September 28, 2006 granted NJDEP's motion to remand the case back to state court.

User Charges

Reviewed correspondence received from Clark Township as well as other documents relative to Authority user charges. Performed legal research and had several telephone conversations with RVSA staff relative to issues involving Clark Township user charges.

Committee Reports

The Chairman asked if there were reports from any of the following Committees:

Engineering Committee (Frank Mazzarella, Chairman)

Mr. Chin stated that an Engineering Committee Meeting was held January 11, 2007 at which time several items were discussed, items which require action are on the agenda under New Business.

Finance Committee (Charles Lombardo, Chairman)

Mr. Lombardo stated that a Finance Committee Meeting was held earlier this evening at which time the Bills and Claims and Contract #0713-Lobbyist Services were reviewed and discussed. Mr. Lombardo added that both items will be acted on later in the meeting.

Personnel Committee (Robert G. Luban, Chairman)

No report.

Commissioner Handbook Committee (Thomas J. McHale, Chairman)

No report.

Computer Committee (C. Clark Landale, Chairman)

No report.

Insurance Review Committee (Allen Chin, Chairman)

No report.

Legal Committee (Joan Papen, Chairwoman)

No report.

Nominating Committee (Robert G. Luban, Chairman)

Mr. Luban stated that a Nominating Committee Meeting was held earlier this evening. The Committee will make their recommendations for Chairman and Vice Chairman at the February 15th Reorganization Meeting.

Public Relations Committee (Joan Papen, Chairwoman)

No report.

Retreat Committee (Allen Chin, Chairman)

No report.

Search Committee (Allen Chin, Chairman)

No report.

Security Committee (James J. Kennedy, Chairman)

No report.

Open the floor to the Public for questions or comments

No one addressed the Board.

Unfinished Business

None.

New Business

The following Resolution #07-01 was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mr. Lombardo and unanimously approved.

RESOLUTION #07-01

WHEREAS, the Rahway Valley Sewerage Authority (Authority) received a proposal from Camp, Dresser & McKee, 100 Crossways Park West, Suite 415, Woodbury, NJ 11797 for Professional Services; and

WHEREAS, the Authority has a need to engage a consultant to provide Engineering Services specifically related to Contract #0706-Administration and Oversight of the Biosolids Hauling and Reuse Contract (Contract #0622); and

WHEREAS, Professional Services of this nature have been determined to be exempt from public bidding under Title 40A; and

WHEREAS, said services require knowledge of an advanced type in a field of learning acquired by a prolonged training period; and

WHEREAS, the Authority has received a proposal from Camp, Dresser & McKee dated January 5, 2007, reflecting an amount not to exceed $17,600.00; and

WHEREAS, the Secretary-Treasurer of the Authority hereby certifies that the necessary funds for said contract have been budgeted for in the 2007 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that the Rahway Valley Sewerage Authority engage Camp, Dresser & McKee to perform the services described herein at a cost not to exceed $17,600.00 for a period of one year commencing on January 1, 2007; and

BE IT FURTHER RESOLVED that a Professional Service Contract for the services described herein be entered into and approved by the Authority; and

BE IT FURTHER RESOLVED that said Contract must be executed by both parties within 90 days of award, in the event that the designated Professional Party to this contract fails or refuses to sign said contract and all terms and conditions included therein, this Resolution shall be void and services shall be forthwith terminated; and

BE IT FURTHER RESOLVED that a “Notice of Award” be published in Accordance with law.

Mr. Chin made a motion to reject the sole proposal received from Murray, Montgomery & O’Donnell on Contract #0713 – Lobbyist Services, as their proposal had non-curable deficiencies, and to re-advertise for proposals. The motion was seconded by Mr. Lombardo and unanimously approved.

Mr. Chin made a motion, seconded by Mrs. Papen, authorizing Interim Executive Director to prepare an RFP to solicit proposals from Consultants to perform an evaluation of the Authority’s

methodology for monitoring the contributions from the members, methodology used to prepare the annual user charge assessments, and potential alternatives to the present billing, as discussed at the Engineering Committee Meeting. The motion was unanimously approved.

The following Resolution #07-02 was offered by Mr. Chin, on motion of Mr. Chin, seconded by Mr. Lombardo and unanimously approved.

RESOLUTION #07-02

WHEREAS, there exists a need to obtain the services of a registered energy agent for the Rahway Valley Sewerage Authority in conjunction with the New Jersey Sewerage and Municipal Utility Authority Electricity Supply Aggregation (NJSMUAESA) program; and

WHEREAS, the Local Public Contracts Law N.J.S.A. 40A:11-5(1)(a)(ii) exempts the award of contracts for extraordinary Unspecifiable services from the requirements of public advertisement and bidding; and

WHEREAS, the award of this contract meets the statutes and regulations governing the award of said contracts; and

WHEREAS, the NJSMUAESA received a proposal from Gabel Associates reflecting a fee of $0.0003/kwh for all electricity purchased if a two year supply contract is awarded or $0.0005/kwh if a one year contract supply contract is awarded to be paid through the energy supplier; and

WHEREAS, the Secretary-Treasurer of the Authority hereby certifies that the necessary funds for said contract have been budgeted for in the 2007 Annual Budget.

WHEREAS, this contract is being awarded after a fair and open process.

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that:

1. The Chairman and Secretary be and are hereby authorized and directed to execute the attached agreement with Gabel Associates; and

2. This contract is being awarded without competitive bidding after a fair and open process as an “Extraordinary Unspecifiable Service” in accordance with N.J.S.A. 40A:11-5(1)(a)(ii) of the Local Public Contracts Law because this service is specialized and qualitative in nature requiring expertise, extensive training and proven reputation.

BE IT FURTHER RESOLVED that a “Notice of Award” be published in Accordance with law.

Bills and Claims

Mrs. Lombardo made a motion, seconded by Mrs. Papen, that the following bills and claims previously audited by the Finance Committee be ordered paid. The motion was unanimously approved.

BUILDING & EQUIPMENT FUND

CHECK #	DATE	VENDOR	LINE/ACCT#	AMOUNT
2196	01/18/07	ARGENT ASSOCIATES LLC	140.2/7	945.00
2197	01/18/07	CONSOLIDATED CONSTRUCTION MGT.	140.2/7	145,166.99
2198	01/18/07	EE CRUZ COMPANY INC	140.7	4,231,646.56
2199	01/18/07	J.H. REID, GENERAL CONTRACTOR	140.2	419,912.57

Total Checks: 4
Total Void Checks: 0
Total Amount Void: $0.00
Total Amount Paid: $4,797,671.12

OPERATING FUND

CHECK #	DATE	VENDOR	LINE/ACCT#	AMOUNT
32821	12/20/06	MERCHANTS OF VENICE	49	189.39
32822	12/27/06	AIRGAS SAFETY, INC.	31	814.40
32823	12/27/06	ALL AMERICAN SEWER SERVICE, INC.	47	8,988.00
32824	12/27/06	AMERICAN INDUSTRIAL SUPPLY CORP.	34	1,823.90
32825	12/27/06	AMERICAN WEAR UNIFORMS	32	4,747.50
32826	12/27/06	ASSOCIATED AUTO PARTS	44	316.79
32827	12/27/06	ALEXANDER BIEL	31	150.00
32828	12/27/06	CANON FINANCIAL SERVICES, INC.	16	1,299.72
32829	12/27/06	CLEAN RENTAL SERVICES, INC.	32	974.05
32830	12/27/06	COGENT COMMUNICATIONS, INC.	27	674.00
32831	12/27/06	COMPUSA	27	64.18
32832	12/27/06	HARRY DONES	31	150.00
32833	12/27/06	DUNFORD REFRIGERATION, HEATING	43	405.00
32834	12/27/06	ECHO LAKE COUNTRY CLUB	49	3,317.44
32835	12/27/06	ELIZABETHTOWN GAS	22	1,986.30
32836	12/27/06	FEDEX	48	173.74
32837	12/27/06	FISHER SCIENTIFIC	40	1,989.93
32838	12/27/06	FLEXLINE	34	60.67
32839	12/27/06	GENSERVE INC.	34	5,230.00
32840	12/27/06	W.W. GRAINGER, INC.	34	299.70
32841	12/27/06	GARY W. GRAY TRUCKING, INC.	26	2,372.25
32842	12/27/06	GREENWOOD PRODUCTS, INC.	40	233.00
32843	12/27/06	HACH COMPANY	40	1,256.70
32844	12/27/06	HALL & ASSOCIATES	08	165.41
32845	12/27/06	INDUSTRIAL CONTRACTING & RIGGING	34	7,875.00
32846	12/27/06	IVES EQUIPMENT CORPORATION	34	596.65
32847	12/27/06	LABCHEM INC.	40	1,043.37
32848	12/27/06	MCMASTER-CARR SUPPLY CO.	34	1,242.88
32849	12/27/06	NATIONAL FUEL OIL, INC.	20	17,511.14
32850	12/27/06	NJ WATER ENVIRONMENT ASSOCIATION	31	445.00
32851	12/27/06	NW FINANCIAL GROUP	08	1,770.00

32852	12/27/06	OUTSTANDING SERVICE CO., INC.	34	354.90
32853	12/27/06	PITNEY BOWES	16	324.00
32854	12/27/06	POLAND SPRING WATER COMPANY	46	113.64
32855	12/27/06	ROBERT POLTZ	15	367.78
32856	12/27/06	POLYDYNE INC.	23	16,100.00
32857	12/27/06	POWERTECH MOTION CONTROL INC.	38	278.45
32858	12/27/06	PRECISION ELECTRIC MOTOR WORKS	32	244.00
32859	12/27/06	PSE&G	42	89.93
32860	12/27/06	RAHWAY VALLEY SEWERAGE AUTH.	01/02	155,758.03
32861	12/27/06	RELIANT ENERGY SOLUTIONS	19	20,461.87
32862	12/27/06	SAFETY-KLEEN CORP.	32	213.72
32863	12/27/06	ANDREW SASSO	31	34.99
32864	12/27/06	STAPLES BUSINESS ADVANTAGE	13	375.08
32865	12/27/06	STAR LEDGER	12	325.50
32866	12/27/06	TURTLE & HUGHES INC.	38	632.30
32867	12/27/06	UNITED PARCEL SERVICE	48	41.05
32868	12/27/06	UNIVAR USA INC.	29	8,540.73
32869	12/27/06	US FILTER SIEMENS WATER TECH.	40	519.00
32870	12/27/06	USA BLUEBOOK	34	318.00
32871	12/27/06	VERIZON	11/30	973.08
32872	12/27/06	VERIZON WIRELESS	11	384.19
32873	12/27/06	921-WELCO-CGI GAS TECH LLC	32/40	368.70
32874	12/27/06	WOODBRIDGE MACHINE & TOOL INC.	38	720.00
32875	12/27/06	WOODRUFF ENERGY	22	5,665.61
32876	12/29/06	RAHWAY VALLEY SEWERAGE.	01/02	5,887.35
32877	01/11/07	DELTA DENTAL PLAN OF NJ	03	5,772.58
32878	01/11/07	STANDARD INSURANCE COMPANY	03	2,148.00
32879	01/11/07	VISION SERVICE PLAN	03	1,172.08
32880	01/11/07	WATER ENVIRONMENT FEDERATION	31	390.00
32881	01/11/07	STAPLES BUSINESS ADVANTAGE	13	2,591.96
32882	01/11/07	HOME DEPOT CREDIT SERVICES	32	114.07
32883	01/11/07	STATE OF NJ BUREAU OF REVENUE	37	800.00
32884	01/18/07	US BANK OPERATIONS CENTER	09	88,185.00
32885	01/18/07	US BANK OPERATIONS CENTER	09	2,715.00
32886	01/18/07	US BANK OPERATIONS CENTER	09	34,920.00
32887	01/18/07	A TOUCH OF ITALY	49	80.00
32888	01/18/07	ADP, INC.	03	167.17
32889	01/18/07	ADP, INC.	16	1,942.73
32890	01/18/07	AIRGAS SAFETY, INC.	31	1,009.86
32891	01/18/07	AMERICAN WEAR UNIFORMS	32	906.75
32892	01/18/07	ARCH WIRELESS	11	11.19
32893	01/18/07	ASSOCIATED AUTO PARTS	35	212.21
32894	01/18/07	ASSOC. OF ENVIRONMENTAL AUTH.	52	3,800.00
32895	01/18/07	BOWCO LABORATORIES, INC.	32	63.00
32896	01/18/07	CAMP, DRESSER & MCKEE, INC.	09	6,974.62
32897	01/18/07	CDW GOVERNMENT, INC.	27	948.21
32898	01/18/07	CENTRAL BOILER REPAIR CO., INC.	32	1,945.00
32899	01/18/07	CHROMATE INDUSTRIAL CORP.	34	185.14
32900	01/18/07	CITY OF RAHWAY	33	7,533.67
32901	01/18/07	COGENT COMMUNICATIONS, INC.	27	674.00
32902	01/18/07	COMMERCE BANK	09	4,140.00

32903	01/18/07	COMMERCE BANK	09	19,882.50
32904	01/18/07	COMPUSA	27	504.27
32905	01/18/07	CONNELL FOLEY LLP	09	2,114.62
32906	01/18/07	CONSOLIDATED RAIL CORP.	18	633.39
32907	01/18/07	CONTROL ASSOCIATES, INC.	34	724.60
32908	01/18/07	CSL SERVICES, INC.	30	13,750.00
32909	01/18/07	D2L ASSOCIATES, INC.	42	2,240.00
32910	01/18/07	DIVITA BALANCE SERVICE CO., LLC	40	280.00
32911	01/18/07	DYNAFLOW ENGINEERING	32	485.00
32912	01/18/07	ELIZABETHTOWN GAS	22	9,678.50
32913	01/18/07	EMSL ANALYTICAL INC.	43	2,106.00
32914	01/18/07	ELIZABETHTOWN GAS	22	16,338.50
32915	01/18/07	FISHER SCIENTIFIC	40	1,004.55
32916	01/18/07	FISHER SCIENTIFIC	40	1,839.89
32917	01/18/07	GARY W. GRAY TRUCKING, INC.	26	3,626.50
32918	01/18/07	JOHN V. HRUSKA	31	149.99
32919	01/18/07	IDEXX DISTRIBUTION INC.	40	179.37
32920	01/18/07	JERSEY ELEVATOR COMPANY INC.	32	229.50
32921	01/18/07	LONGO ELECTRICAL-MECHANICAL, INC.	32	9,577.00
32922	01/18/07	MAGELLAN BEHAVIORAL HEALTH, INC.	03	550.83
32923	01/18/07	MAX L. BROWN HARDWARE CO., INC.	38	618.40
32924	01/18/07	MOTION INDUSTRIES, INC.	34	78.90
32925	01/18/07	NATIONAL FUEL OIL, INC.	20	8,016.48
32926	01/18/07	NJ MANUFACTURERS INSURANCE CO.	17	14,555.00
32927	01/18/07	TREASURER - STATE OF NJ	37	8,620.93
32928	01/18/07	NORTH FLAGS	38	664.00
32929	01/18/07	O'JOHNNIES, INC.	13	1,134.51
32930	01/18/07	ONE CALL SYSTEMS, INC.	32	18.30
32931	01/18/07	PAULUS, SOKOLOWSKI & SARTOR , LLC	32	3,670.00
32932	01/18/07	PCI SCIENTIFIC SUPPLY INC.	40	5,325.00
32933	01/18/07	POLYDYNE INC.	23	14,720.00
32934	01/18/07	PRECISION ELECTRIC MOTOR WORKS	32	685.00
32935	01/18/07	PSE&G	19/42	367.99
32936	01/18/07	RAHWAY VALLEY SEWERAGE AUTH.	01/02	170,165.90
32937	01/18/07	MICHAEL ROGERS, SR.	31	150.00
32938	01/18/07	PETTY CASH	14	28.89
32939	01/18/07	SAFETY-KLEEN CORP.	32	213.72
32940	01/18/07	DARREN SCHIPPE	31	25.00
32941	01/18/07	SPECTRASERV INC.	25	103,505.28
32942	01/18/07	TREASURER - STATE OF NJ	37	3,620.00
32943	01/18/07	UNITED PARCEL SERVICE	48	22.48
32944	01/18/07	UNITED RENTALS	34	492.01
32945	01/18/07	UNIVAR USA INC.	29	25,602.35
32946	01/18/07	US FILTER SIEMENS WATER TECH.	40	265.00
32947	01/18/07	VERIZON	11/30	1,028.15
32948	01/18/07	WOODRUFF ENERGY	22	41,060.90

Total Operating Fund Checks: 128
Total Void Checks: 0
Total Amount Void: $0.00
Total Amount Paid: $947,209.45

Total ALL Checks: 132
Total Void Checks: 0
Total Amount Void: $0.00
Total Amount Paid: $5,744,880.57

OPERATING FUND	**6-01**	**496,223.66**
OPERATING FUND	**7-01**	**450,985.79**
BUILDING & EQUIP FUND	**6-02**	**4,797,671.12**
TOTAL ALL FUNDS:		**$5,744,880.57**

Adjournment

As there was no further business, on motion of Mr. Lombardo, seconded by Mr. Luban, the meeting adjourned at 8:38 p.m. The motion was unanimously approved.

_____
Robert J. Materna, Secretary-Treasurer

/jg
S:\Joanne Grimes\Document Files\MINUTES\2007 MINUTES\Minutes 1-18-07.doc