

# RVSA Votes 6-5 to Reexamine Privatization Following Debate

By WAYNE BAKER  
Specially Written for *The Westfield Leader*

**RAHWAY** — At its meeting last Thursday, the Rahway Valley Sewerage Authority voted 6-5 to begin the process of reexamining privatizing operations of the authority.

A resolution by Rahway Commissioner Peter Pelissier described the authority as seeking “the assistance of certain professionals to explore entering into a public/private partnership for the operation of its wastewater-treatment plant and all other facilities.”

The resolution authorizes the publication of a request for proposals (RFP) from legal, engineering and financial professionals for their services related to privatization.

Commissioners Frank Mazzarella of Clark, James Murphy of Cranford, Charles Lombardo, a councilman in Garwood; Mr. Pelissier of Rahway, Rosalie Berger of Springfield and Robert Luban of Woodbridge voted

to pass the resolution.

Commissioners Gregg David, the mayor of Kenilworth; Clark Landale of Mountainside, Attilio Venturo of Roselle Park, Joan Papan of Scotch Plains and Allen Chin of Westfield

discussed and considered at great length during 2006. At that time, certain members insisted on pressing ahead, despite the views of many of the members and many of the member municipalities that no one

had presented any sound reasons for such a radical change in the operation of the RVSA, and that the significant costs in time and money in even soliciting privatization proposals simply could not be justified,” he said.

Mr. Landale said, after listening to questions from mayors at a forum last November, “RVSA’s own experts agreed that it was premature to determine whether privatization might be a sound and cost-effective measure for RVSA.”

“There was a good-faith consensus that we would wait until the plant construction was com-

plete and then re-evaluate, in light of the newly upgraded plant and sufficient experience with its operations, what areas, if any, consideration of some form of privatization might make sense,” he said.

He questioned the motivations of two of the RVSA commissioners.

“Mr. Pelissier, who has spearheaded this renewed effort to steamroll privatization through, is under investigation for collecting a state pension while serving as a consultant for Rahway doing the same work that he was before his retirement,” Mr. Landale said.

His comments drew shouts and hisses from the crowd of more than 40 attendees, which included several members of the Rahway City Council.



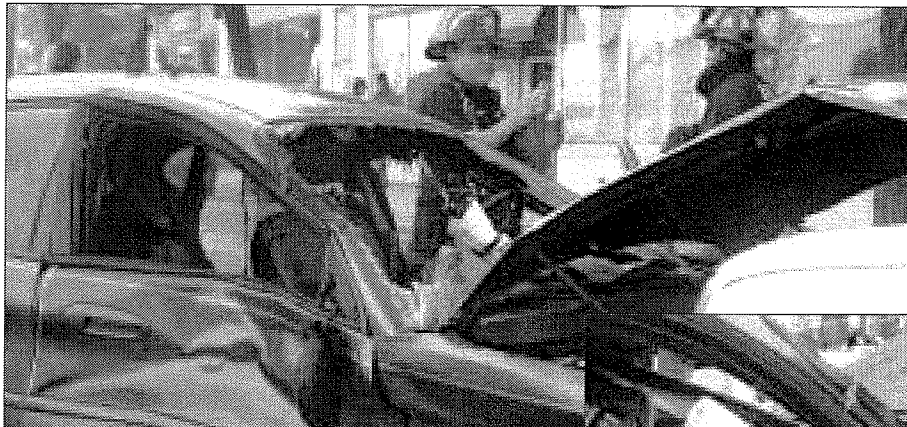
Wayne Baker for *The Westfield Leader*

**FOR AND AGAINST...** Rahway Valley Sewerage Authority Commissioner Peter Pelissier, center, the leading proponent of a measure to reexamine privatizing the RVSA, sits next to Mountainside Commissioner Clark Landale, right, the most vocal critic of Mr. Pelissier’s resolution. Joan Papan, Scotch Plains commissioner, looks on. The measure passed, 6-5.

voted against it.

Mr. Landale, who read a prepared statement, was the most vocal in his opposition.

“The idea of privatizing the RVSA or some portion of its operations was



CONTINUED ON PAGE 12

---

---

# RVSA Votes on Privatization

---

---

CONTINUED FROM PAGE 1

Mr. Landale continued, "I am very concerned that his position as a highly paid employee of Rahway, serving once again as its business administrator and as the director of its redevelopment agency, creates a conflict or the appearance of a conflict in his duties as a member of this authority."

Mr. Landale next turned his attention to Commissioner Frank Mazzarella of Clark.

"I am also concerned that with a

---

---

## Cranford Reacts

---

CONTINUED FROM PAGE 1

you agree there is a cost?"

Mr. Murphy replied, "Yes."

"What is it?" inquired Mr. Plick.

"I have no idea," began Mr. Murphy's reply.

Mr. Plick said, "What I find even more troubling is that in light of communication against the resolution, you voted for it."

Mr. Plick said the vote "could be a very poor move for Cranford residents long-term."

Mr. Murphy replied, "That vote didn't cost any money."

Mr. Puhak disagreed, saying, "A number of lawyers are going to make a nice big chunk of change."

A later exchange rose questions as to why multiple area wastewater authorities had rejected the concept of privatization.

RVSA Interim Executive Director Michael Brinker, who attended the Cranford meeting, said the Bergen County Utilities Authority had conducted a two-year study and decided against privatization.

Mr. Puhak asked whether the RVSA had spoken formally with those authorities that rejected privatization, to which Mr. Brinker answered "no."

Further questioning led Mr. Murphy to say that the Bergen County study on privatization had generated 55

similar conflict or appearance of conflict that arises from the fact that the Clark representative, Frank Mazzarella, was just recently appointed to be the director of the Department of Public Works in Rahway."

He questioned whether Mr. Mazzarella could be counted on to vote Clark's interests while employed by Rahway.

Mr. Pelissier responded to Mr. Landale's statement, saying that "to wait years is not responsible." He said Mr. Landale's statement was "slanderous."

Mr. David questioned the wording of the resolution, noting that "the authority interim executive director, secretary/treasurer and all of the authority's other officials, employees and professionals are authorized and directed to execute those documents and perform those tasks that will affect the purposes of this resolution," could be construed to require any and all of the authority's employees to work on privatization, thus neglecting the work they were hired to perform.

Mr. Venturo said the key difference between the current structure and a privatized structure is that with privatization, "they're here to make a buck."

Speaking during the public-comment portion of the meeting, Cranford Deputy Mayor Robert Puhak said, "Although initial RFP costs may not be costly, it sets off a series of events that could ultimately sustain highly substantial costs to the constituent communities."

"Reports indicate that procurement costs are expected to cost up to and perhaps exceed \$500,000. That's before any contract is executed," he said.

He said the commissioners' vote was "highly distressing."

Tina Renna, president of the Union County Watchdog Association, described the commissioner's job as to "carry out the will of your towns" and said she "[doesn't] believe you are doing that."

# Commissioners Call RVSA Privatization Talk 'Premature'

By WAYNE BAKER  
*Specially Written for The Westfield Leader*

RAHWAY — The recent efforts by Rahway Valley Sewerage Authority (RVSA) Commissioner Peter Pelissier to push for the privatization of the authority now faces opposition from some other commissioners.

Mr. Pelissier had requested at the RVSA's September meeting that the authority solicit proposals for a special counsel, special engineer and special financial advisor to examine the prospect of privatization. The authority deferred discussion of the motion until last Thursday's engineering-committee meeting.

Kenilworth Commissioner (and mayor) Gregg David spoke first against the proposal, saying, "Generally, I feel this is premature."

Roselle Park Commissioner and board chairman Attilio "Sonny" Venturo said he supported Mr. David's comments. "I'm in total agreement."

Scotch Plains Commissioner Joan Papen, expressing her displeasure with the motion, called it "ridiculous."

"It is not for the benefit of taxpayers," she said of the privatization efforts.

Engineering Committee Chairman Clark Landale of Mountainside said experts at a mayors' conference last November had said the RVSA should complete and operate its facility upgrades for a period before considering privatizing the operation.

"I've got a problem jumping into this from a financial perspective," Mr. Landale said.

Allen Chin, the commissioner from Westfield, questioned why an approved request for quotations (RFQ) had become a request for proposals (RFP).

Brian Hak of Weiner Lesniak, the authority's counsel, said the RFP had

stopped efforts to seek RFQs.

Commissioner James Murphy of Cranford said he had been asked to address the Cranford Township Committee about privatization efforts.

When asked about the possibility of removing the proposal from tonight's regular meeting agenda, Mr. Pelissier said, "I don't think it can be removed."

Mr. Hak said the "commissioner has the right to have it [on the agenda]."

Mr. Pelissier's additional motion to add a regulatory compliance contract to the group of annual contracts the authority seeks RFPs for also met opposition.

An authority employee, Anthony Gencarelli, has criticized the efforts to privatize the authority. Mr. Pelissier had described his motion as "an effort for cost saving for regulatory services."

Mr. Landale, describing the motion, said, "I think everybody in this room knows why this was brought up... This is a path I don't want to go down."

The authority also received updates on the various projects in process. Jim Wancho of Warren-based engineering/architectural firm of Paulus, Sokolowski and Sartor said 600 feet of the slip lining of the trunk sewers were now in the ground and that the Union County Police and county parks personnel had been very helpful in keeping the project moving forward. Much of the work is being done in Rahway River Park.

As a result of some questions raised by the authority's insurer, interim executive director Michael Brinker had called in Rahway fire official Robert Latherow to review conditions at the facility.

Mr. Latherow concentrated on the RVSA's head works building, as it is the only RVSA building located in Rahway. The rest of the sewerage authority's plant is located in Woodbridge.

The review showed that the authority should upgrade sprinkler and standpipe conditions at its facility. Mr. Brinker said he would request a similar review from Woodbridge officials.



**STIHL**®

# Cranford Tells RVSA Rep. To Change Vote

By WAYNE BAKER

*Specially Written for The Westfield Leader*

CRANFORD — The Cranford Township Committee on Monday night requested that the town's commissioner to the Rahway Valley Sewerage Authority change his vote on a resolution passed last Thursday to begin a professional review of privatization.

Eventually, James Murphy, the commissioner, agreed to do what he could to effectively change his vote.

Mr. Murphy described the vote as "incremental" and said the process could be stopped at any time. Deputy Mayor Robert Puhak disagreed, saying the vote begins a cascade of expenses.

At one point, Mayor Michael Plick asked Mr. Murphy, "Would

---

---

# Cranford

## Reacts

CONTINUED FROM PAGE 1

you agree there is a cost?"

Mr. Murphy replied, "Yes."

"What is it?" inquired Mr. Plick.

"I have no idea," began Mr. Murphy's reply.

Mr. Plick said, "What I find even more troubling is that in light of communication against the resolution, you voted for it."

Mr. Plick said the vote "could be a very poor move for Cranford residents long-term."

Mr. Murphy replied, "That vote didn't cost any money."

Mr. Puhak disagreed, saying, "A number of lawyers are going to make a nice big chunk of change."

A later exchange rose questions as to why multiple area wastewater authorities had rejected the concept of privatization.

RVSA Interim Executive Director Michael Brinker, who attended the Cranford meeting, said the Bergen County Utilities Authority had conducted a two-year study and decided against privatization.

Mr. Puhak asked whether the RVSA had spoken formally with those authorities that rejected privatization, to which Mr. Brinker answered "no."

Further questioning led Mr. Murphy to say that the Bergen County study on privatization had generated 55 boxes of paper.

Mr. Puhak asked why the RVSA had not requested an executive summary; Mr. Murphy concurred that would be a good idea.

The RVSA portion of the committee's workshop meeting had begun with Mr. Brinker giving the township committee an overview of the ongoing projects and challenges the authority faces. The focus of the questions Mr. Brinker and the authority's secretary/treasurer, Robert Materna, faced related to "steep" growth in debt-service costs over the next few years as part the RVSA court-mandated \$139-million upgrade of its treatment facility. A \$24-million cogeneration/dry sludge facility is also included, as well as another \$11 million in various facility improvements.

Cranford faces a double hit on taxpayers — the debt service on the facility upgrade hits at the same time as a low sewerage rating moves out of the township's five-year rolling average. The change would result in an estimated 12-percent rate rise before any debt service is calculated, officials said.

Commenting on the the rate raise impact, resident Jim O'Neill said, "I can see my fixed budget going to hell very fast."

# THE EAGLE



Serving Cranford and Clark

CRANFORD, N.J.

WWW.LOCALSOURCE.COM

7

THURSDAY  
OCTOBER 25, 2007

## Cranford steamed over RVSA move

### Township officials vote against authority's privatization action

By Paul Greulich  
Staff Writer

CRANFORD — Township officials have passed a resolution stating their opposition to the Rahway Valley Sewerage Authority's recent efforts to pursue professional services related to a potential privatization of their sewage treatment plant in Rahway.

While RVSA officials have stated that the interest in privatizing is part of an effort to reduce some of the costs associated with running the facility, which is in the midst of a multi-million dollar upgrades currently underway at the facility, township commissioners were unanimous in their opposition to exploring privatization at this time.

"There's a difference between being proactive and being premature," Deputy Mayor Robert Puhak said. "This is premature."

Some confusion was present, being that the committee thought these feelings already had been made clear, according to township officials.

At a mayor's meeting in November 2006, elected officials from the 11 member municipalities expressed their feelings to their RVSA representatives that it would be better to allow the plant run for a year after the upgrades were complete before looking into privatization, a consensus that George Jorn, public affairs commissioner and then-mayor, was able to confirm, having attended that meeting.

Puhak, also the public affairs commissioner, had recently expressed the committee's specific concerns regarding privatization to Cranford's RVSA commissioner James Murphy via email, instructing him not to vote in favor of a move toward privatization.

Yet on October 18, the 11 RVSA commissioners voted 6-5 to authorize a request for proposals in connection with all activities associated with the

authority's efforts to explore public/private partnership for the operation of all its facilities.

Murphy was present at Monday's Township Committee workshop meeting, where Cranford commissioners were clearly displeased with the apparent miscommunication although they described Murphy's service through the past seven years as faithful.

Murphy told commissioners he would reconsider his vote and apologized for any chaos it caused.

Anthony Gencarelli, a current employee of the RVSA, spoke up at the meeting regarding his own feelings about the issue.

Gencarelli has previously voiced his personal concerns that the commissioners representing the member municipalities are not fully performing their duties and that the push toward privatization of the sewage plant is at the behest of several commissioners who stand to benefit financially from such a change.

Leo McMahon, a longtime resident, was clear in his opinion of Murphy's recent service to Cranford.

"No matter what you say, you were a patsy or you didn't know what you were doing," McMahon told Murphy.

Jorn said he is generally against privatization and does not think it would improve the way the plant is run.

"I think that the authority is run very efficiently," Jorn said.

Finance Commissioner David Robinson said he is generally in favor of privatization, but disagreed with the way it was being pursued in this instance.

Another mayor's meeting on the subject will be held on October 30, which Plick said he will be attending.

Paul Greulich can be reached at 908-686-7700 ext. 121, or at [theeagle@thelocalsource.com](mailto:theeagle@thelocalsource.com).

# RVSA going private concerns townships

*Towns discusses future of authority,  
what Cranford, Clark will pay*

By Paul Greulich  
Staff Writer

Concern over the future of the Rahway Valley Sewerage Authority has come to the forefront of the Cranford Township Committee's discussions in regards to both the debt service that the town must pay toward multi-million dollar plant upgrades and the possibility that the facility will become privatized.

The committee took input at their October 8 workshop meeting from Anthony Gencarelli, who addressed them on the subject of the potential privatization.

Gencarelli is employed by the RVSA, but was not representing the authority at the meeting.

Gencarelli said he thinks privatization is not in the best interest of the rate payers and that the push in this direction on the part of some of the RVSA's commissioners is occurring because specific people are in a position to make money.

"In privatizing essential services you lose control and accountability," Gencarelli said. "The operation becomes all about reducing costs so that profits can be maximized."

Deputy Mayor Robert Puhak said there is talk that the RVSA could put out a request for a proposal as soon

as October 25 without the input of the Township Committee.

"Now is the time to allow ample questioning from the public and the governing bodies of the towns," Puhak said.

Commissioners said they needed more information before they could decide if they were for or against the privatization of this facility.

"My main concern is the way it gets slipped into agendas without reasonable verification," Puhak said.

And Mayor Michael Plic added, "We definitely need increased communication."

Public Affairs Commissioner George Jorn said he opposed the privatization.

"Its probably one of the most efficient sewerage authorities in New Jersey," Jorn said.

Although communication between the authority and the towns it services have been criticized, Jorn said that Cranford's representative, James Murphy, performs his duties well.

Murphy could not be reached for comment on the matter of the potential privatization.

Clark Mayor Sal Bonaccorso said he would prefer to reserve his opin-

See RVSA, Page 3

# RVSA going private concerns townships

(Continued from Page 1)  
ion on privatization until he is more informed on the subject.

"I'm interested in seeing what the outcome would be," Bonaccorso said of the privatization.

Bonaccorso said residents have not come forward with concerns on the subject and said he feels that the subject is complicated and can be confusing, especially for residents not familiar with the RVSA's workings.

Bonaccorso said he thinks the council and their professionals should undertake their own fact-finding efforts before consulting Gencarelli.

The RVSA's Web site makes no mention of the possibility of privatization.

Gencarelli has already discussed the subject with Rahway and Springfield as well, and the Union County Watchdog Organization recently organized a forum for Gencarelli to

address the public in Cranford.

"What the governing bodies of the towns we service need to do is look at both sides," Gencarelli said. "The pros of privatization and the cons."

Gencarelli said that in a recent mayor's forum to discuss the topic, the majority of mayors said they felt the RVSA should not privatize now but rather wait until the upgraded facility is complete and has operated for a year before becoming privatized.

"The people who are pushing it do not want it publicized," Gencarelli said.

Gencarelli feels he is in danger of losing his job. "As far as I'm concerned, as long as I'm speaking out against privatization, my job is at risk," Gencarelli said.

This has not been a deterrent, however. Gencarelli said the importance of the issue to the area as a whole outweighs its impact on him

as an individual.

Gencarelli encouraged people to attend the meetings both of their local towns and of the RVSA to make their position on this issue known one way or another.

"Officials in other towns should communicate the wishes of their governing body to their commissioners," Gencarelli said. "Residents should speak up because they're the ones who are ultimately going to pay for it."

Jim Murphy is scheduled to meet with the Township Committee at a public workshop meeting on October 22.

The next public meeting of the RVSA is tonight—Oct. 18—at 7:30 p.m. in the board conference room in the basement of the RVSA's administration building at 1050 East Hazelwood Avenue in Rahway.

*Paul Greulich can be reached at 908-686-7700 ext. 121, or at [thelocalsource.com](mailto:gre@thelocalsource.com).*



# Residents Question Lombardo Re. RVSA Privatization Vote

By **KATHY MARQUES**  
*Specially Written for The Westfield Leader*

**GARWOOD** – The borough council’s Tuesday meeting turned into a debate with members of the public over the Rahway Valley Sewerage Authority’s (RVSA) vote in favor of reexamining privatization.

Anthony Gencarelli, an RVSA employee, addressed the council as a private citizen in response to the RVSA’s possible privatization of the operation, which is currently undergoing a nearly \$190-million upgrade.

In a December 2006 letter to Michael Brinker, interim executive director of the RVSA, Garwood Borough Administrator Christina Ariemma said the “borough didn’t feel there was a sufficient amount of information to make a decision to privatize the sewerage authority at this time.” The council recommended the idea be revisited in about a year.

At last week’s RVSA meeting, a resolution looking into privatization passed 6-5. Garwood Council President Charles Lombardo, who also serves as the borough’s commissioner on the RVSA, voted in favor of the privatization motion.

Mr. Gencarelli said he was “surprised anyone would vote to pass the resolution. I’m shocked the councilman voted yes.”

Mr. Lombardo, who has served as a RVSA commissioner for 12 years, said he “thinks it’s a personal agenda you have against me.”

Mr. Gencarelli replied, “I’m a licensed professional engineer and planner, and I’m not concerned with my job at the RVSA, whether or not it’s privatized. I’m speaking on behalf of ratepayers. If it’s privatized, the rates the taxpayers pay will go up, and I don’t want that to happen.”

Mr. Lombardo said since Mr. Gencarelli, an Edison resident, doesn’t live in Garwood, “the rates

don’t affect you.”

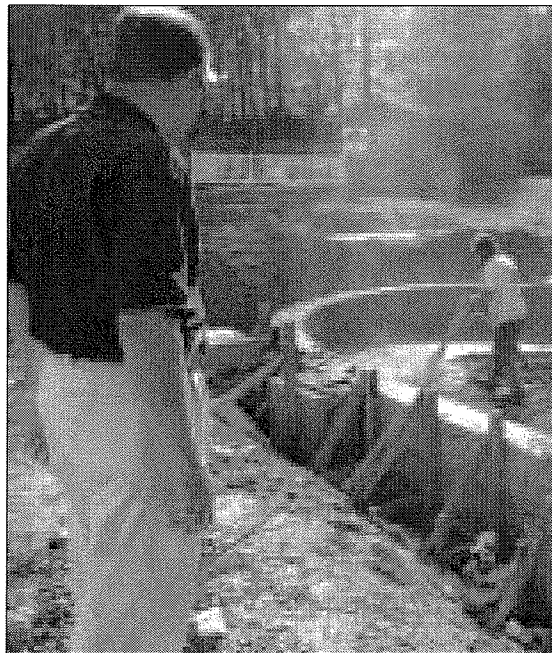
Mr. Gencarelli replied, “You’re right, but I do have family and friends in many towns that the RVSA provides services to, and that is why I’m here, as a concerned resident.”

The councilman said the price of privatization would be a “minimal cost” – he said the RVSA resolution was very “bare bones” and that “we have to think outside the box. We (the RVSA board) are exploring any opportunities and we can stop the process at any point.”

Resident Bruce Paterson said, “I applaud someone who’s not even a Garwood resident speaking up. After the council said they would wait, Councilman Lombardo went behind your backs and voted anyway, without any communication to the residents.”

Mr. Lombardo said he didn’t vote on privatization but the “initiation of a thought process that we are looking

*CONTINUED ON PAGE 12*



**CONCRETE BED...**Bruce Kaufmann, V the concrete spray of the children’s p contractors use a compressor spray of co pool. By the end of the day, nine trucks-w 80 percent of the pool. The layout of the r placed to start a floor. Officials said tha plumbing work and forms and steel re-crete in the main pool before the end of

---

---

# Garwood Reacts to RVSA

---

---

CONTINUED FROM PAGE 1

into. We are trying to cut costs.”

Mr. Paterson said, “Initiation means the ball is rolling, and you took it upon yourself, with no public hearing. I don’t think you should be up there seeking another term.”

Mayor Dennis McCarthy hit the gavel and told Mr. Paterson “there will be no verbal attacking.”

The RVSA serves Clark, Cranford, Garwood, Kenilworth, Mountainside, Rahway, Roselle Park, Scotch Plains, Springfield, Westfield, Winfield Park (a customer to Clark) and Woodbridge. The autonomous agency owns and operates a trunk sewer system and a wastewater-treatment facility in Rahway.

Resident Joe Madden addressed the governing body regarding lifting a 60-year deed restriction on his single-family home so he can convert it to a two-family residence.

He purchased the home in 2006 and “didn’t think there would be a problem with expanding since there’s a four-family across from me and other two-families on the block. I’ve been asking you, the mayor and council, since March to lift the deed restriction, and I don’t

understand what’s taking so long.”

Borough attorney Robert Renaud sent a letter to Mr. Madden’s attorney with “codes and suggestions that we want followed. If you agree with them, the council will think of releasing the restriction,” he said.

Mr. Madden asked the council for “a decent answer to why you won’t release it. I’ve showed up at numerous meetings and keep getting no answer. These codes and suggestions don’t make any sense to what the zoning code requires. Why are my conditions different than any others?”

Mr. Renaud replied, “We didn’t ask you to buy the property. You knew there was a restriction before you bought it, and I think you’re just annoyed with the mayor and council.”

After about a 30-minute discussion that involved Mayor McCarthy banging his gavel multiple times, the mayor asked that Mr. Madden speak to his attorney and said, “Nothing will be voted on tonight.”

The mayor asked residents for their cooperation in adhering to the leaf policy, posted at [garwood.org](http://garwood.org).

# RVSA Struggles With Project Delays, Regulation

By WAYNE BAKER

*Specially Written for The Westfield Leader*

RAHWAY — Much of the last board meeting of the board of the Rahway Valley Sewerage Authority focused on problems with projects occurring under the authority's control. Explosions that damaged the cogeneration facility in the spring have stalled work on that portion of the plant, while a contractor struggles with county regulation on a sewer line project, officials said.

The explosions this spring in the exhaust systems of two of the engines in the cogeneration facility await repairs; evaluation of what needs replacing and negotiations with J.H. Reid and Caterpillar/Foley are ongoing.

"Caterpillar has yet to agree to pay for any of that," said Michael Brinker, RVSA interim executive director.

Friction between Union County and the authority's contractor is delaying trunk sewer rehabilitation. A dispute over the need to close the road in the park and determining a plan to manage in-park traffic has stymied the project, occurring in Rahway River Park.

Completion of the sludge-drying portion of the plant improvements is nearing, officials said. "We are looking at July 30 to start processing sludge, that will be an eight-week process of testing and evaluating sludge, to make sure we are meeting all parameters,"

said Manny Parada of Consolidated Construction Management Services.

On Monday, *The Leader/Times* confirmed with the RVSA secretary that sludge processing has not begun.

Tony Gencarelli, a company employee, suggested that the authority hire two full-time attorneys at an estimated cost of \$200,000 each. He said he felt that would reduce costs.

According to a statistic he cited, the authority spent approximately \$541,000 last year on attorney's fees, an amount that is roughly one-tenth of the authority's total payroll.

Citing complexities in the law, board chairman Sonny Venturo said, speaking of lawyers, "you must specialize."

Westfield commissioner Allen Chin said, "Having a legal company like Weiner, Lesniak, you have all these specialty lawyers you can call on..."

"We had big problems some years ago because of the law firm that we had, and were all very disappointed and it cost us a lot of money. I feel very fortunate, most of us do, that Brian [Hak] is here representing us," said Scotch Plains commissioner Joan Papen.

The Kenilworth Borough Council appointed Gregg David to complete Thomas McHale's unexpired term as the borough's commissioner. Mr. David will serve until February 1, 2008.



## Letters to the Editor

### RVSA Employee Speaks Out Against Privatization, Unreasonable Legal Fees

At the Monday, August 13 City of Rahway Council Meeting, I spoke out against privatization of the Rahway Valley Sewerage Authority (RVSA) and the raw deal that the City of Rahway ratepayers got when their municipal water company was privatized by United Water. Their rates went up over 56 percent the first year of the contract (1999) and have gone up every year since.

I have reviewed the contract and took the time to point out a number of provisions in the contract that serve the best interests of United Water to the detriment of the city's residents.

In response, Business Administrator Peter Pelissier stated that the city has saved \$32,000,000 by privatizing the municipal water company and that this savings is documented. First of all, it is a twenty-year contract, so they haven't saved all of this money yet. In fact, I don't believe that they have saved any money. (How could they with a 56 percent rate increase in the first year?) Secondly, these savings are based on estimates, which must be flawed.

In my opinion, the majority of the RVSA Board is being controlled and/or influenced by State Senator Raymond Lesniak — and his law firm is unreasonably benefiting. [In 2006] RVSA paid approximately \$541,000 to the firm of Weiner-Lesniak for legal services. That's about 10 percent of RVSA's total labor cost for about 60 fulltime employees. Weiner-Lesniak's fees for 2006 to RVSA translate to over 3,000 billable attorney hours at their rate. Do you believe that there is that much legal work at RVSA?

The total labor cost at RVSA for 2006 was approximately \$5,400,000. That amount includes payroll taxes, pension benefits, medical benefits, and of course salaries and wages.

Rahway Business Administrator Pelissier is also an RVSA Commissioner. Perhaps, I could be fired from RVSA for speaking out against privatization, or for other reasons. I hope not, but I will con-

tinue to fight for what I believe is right.

Anyone interested in hearing more about privatization at RVSA or the raw deal that the ratepayers got in Rahway is welcome to contact me at [Gencare\\_97@yahoo.com](mailto:Gencare_97@yahoo.com).

**Anthony Gencarelli  
Edison**

---

### Les Marmitons Set Culinary Programs

CRANFORD — The men's culinary group, Les Marmitons, announced their schedule for the upcoming year. The group will hold 10 monthly events starting in September. On June 6 to 8, 2008, they will host the international gala at the Grand Summit Hotel.

The regular monthly events will be held this year on the third Tuesday of the month and at a new venue, the VFW Kenilworth Post 2230, 33 South 21st Street, Kenilworth.

President Bob Rial of Les Marmitons of Cranford said that the VFW is well equipped having an eight-burner stove, four ovens, a large refrigerator and a commercial dishwasher. A shortfall of pots, pans, and plates will be made up through reserves in the group's treasury managed by Richard Dreher and buoyed by the success of their summer BBQ fundraiser. Mr. Rial added, "As always, no one leaves until the place is clean!"

He thanked Restaurant 89 in Mountainside for their generosity in hosting the club last year. The group is visiting restaurants and meeting new chefs in the area during the fall to lead them during their cooking sessions.

Les Marmitons is a gastronomic and social club of gentlemen who share a common interest in fine food, wine and the culinary arts. For more information, see [lesmarmitons.org](http://lesmarmitons.org).

For those interesting in joining, contact Bob Rial in Cranford by e-mail at [rialtেকinc@comcast.net](mailto:rialtেকinc@comcast.net).

# RVSA owes towns an explanation

What, exactly, is going on at the Rahway Valley Sewerage Authority?

In an only-in-New Jersey turn of events, the board of the RVSA voted 6-5 last week to solicit proposals from professionals who will help the authority study privatization. The board, whose 11 members are supposed to represent the municipalities served by the RVSA, decided to issue a Request for Proposals (RFP) despite the fact that elected officials from these towns — that is, the people who have to actually answer to voters — had agreed just last fall not to pursue privatization until a massively expensive court-ordered upgrade is complete. That consensus was based on the judgment of experts who had examined the issue for the group.

Set aside for a moment the debate over the merits of privatization and concerns about who will pay for and who will benefit from the study. Last week's vote, and the ensuing fall-out, raises some serious questions about the responsibilities of the authority's board members to the communities that appointed them.

Those questions are loudest in Cranford, where the Township Committee called its representative, James Murphy, to account after he cast a key vote in favor of issuing the RFP. During a contentious discussion this week, Murphy told the committee that he "think(s) this study should be done."

His opinion should carry some weight, and, as a member of an independent authority, Murphy is not legally bound to cast his vote in accordance with the wishes of the Township Committee. But, given the high profile of the issue, Murphy owed it to the committee members to discuss his position with them *before* the vote, not after it. Given the fact that Cranford Deputy Mayor Bob Puhak attended the RVSA meeting and apparently addressed Murphy from his seat in the audience, we're guessing he would have made time to talk. And Murphy's protestations that he did not know the RFP vote was scheduled in advance are unconvincing. On Oct. 16, two days before the vote, the Scotch Plains Township Council devoted a good portion of its meeting to the issue, and the Mountainside Borough Council unanimously passed a resolution opposing the study. If officials in those towns knew the vote was planned, why wouldn't a member of the RVSA board?

Scotch Plains's representative to the RVSA voted against the proposal, as did Westfield's and Kenilworth's. That means officials in those towns have less quarrel with their own delegates, but they're all in the same predicament — wondering whether the sewerage authority, whose costs account for an ever-increasing portion of municipal budgets, will pay them any mind.

Both Scotch Plains and Cranford passed resolutions this week denouncing the RVSA's actions. Given the disregard the authority has already shown for local governments, those measures are unlikely to make any difference. But they should. The authority should halt its plans to pursue privatization, and pay more attention to the communities that are paying its bills.

# Committee: RVSA rep should reverse vote on privatization study

By **LESLIE MURRAY**

THE CHRONICLE

CRANFORD — In an unusual move, the Township Committee on Tuesday unanimously passed a resolution asking its representative to the Rahway Valley Sewerage Authority to rescind his vote in favor of examining privatization of the authority, one day after a heated conversation about the issue.

On Oct. 18, the RVSA board voted 6-5 to solicit Requests for Proposals (RFP) from law firms and other experts who would help the authority prepare a study of privatization. Cranford's representative, James Murphy, voted with the majority. The possibility of privatization is being examined in part because the authority is facing massive debt related to a \$250 million court-ordered environmental upgrade.

The considerable cost of those upgrades is passed

along to the RVSA's 11 member municipalities. Cranford learned this week that its sewerage assessment next year will be \$1.4 million, up from \$800,000 this year. In April, the township's 2008 assessment had been estimated at \$1.2 million.

But despite rising costs, elected officials from the member municipalities, including Cranford, came to a consensus at a mayor's forum last year that privatization should not be pursued at the present time. Instead, they said at the time, the facility should run in the improved state for at least a year before privatization is considered. By voting to solicit RFPs, the authority's board last week went against that consensus.

RVSA board members are appointed by the governing bodies in the member municipalities, but once appointed, they act autonomously.

(Continued on page A-4)

# Rep should reverse vote

(Continued from page A-1)

Murphy attended the Township Committee's workshop meeting Monday night to discuss the issue and explain his vote. He was joined by Michael Brinker, the RVSA's interim executive director, and Robert Materna, its secretary-treasurer.

After some discussion about the size and structure of the authority's debt, the commissioners turned their attention to pressing Murphy on last week's vote. They said their concern with the RFP decision was not a judgment on privatization, but a condemnation of the process by which it occurred.

Murphy responded that a year had passed since the mayor's forum and said the RFP vote was about gathering information, not making final decisions. "This vote did not cost Cranford any money," he said.

However, Mayor Michael Plick asked what the cost associated with the RFP would be. Murphy responded that the cost was estimated at \$100,000, of which \$5,000 would be paid by Cranford ratepayers.

"We're working with \$1.4 million of mandated spending next year," Commissioner David Robinson said. "Tacking on another five grand is unacceptable."

Adamant objection also came from Deputy Mayor Bob Puhak, who attended the Oct. 18 RVSA meeting. He said he tried to contact Murphy before the vote and from his seat in the audience indicated to the Cranford representative that he did not support the RFP plan.

Puhak also said Murphy had not responded to his repeated overtures to discuss the RFP vote in advance. Murphy replied that he had not learned until the day before that the vote had been scheduled, and he rebuffed Robinson's comments that he had cast the deciding vote.

Still, Puhak said the RVSA "seems to be moving forward with the RFP when in fact there is no knowledge if it will save money."

"It defies logic," he said.

He persisted, asking Murphy, Brinker, and Materna if the RVSA had examined other sewer

## IN OTHER TOWNS

Garwood and Kenilworth are also part of the RVSA. Garwood is represented at the authority by Councilman Charles Lombardo, who voted for the RFP plan. Kenilworth is represented by Mayor Gregg David, who voted against it. See more on Kenilworth's plans for sewer costs on Page A-8.

authority's studies of privatization. Murphy said an authority in Passaic had reviewed the issue, but would not reproduce its 50 boxes of material on the subject for the RVSA.

Puhak pressed him again, asking if a request had been made for an executive summary of the study, and why more due diligence had not been performed prior to the vote. "If it's a two year process, what's another two weeks?" he said.

For his part, Plick said that Murphy "went in the complete opposite direction as our concerns." He added he would voice the township's ongoing concerns and objection to the RFP vote during the next mayors' forum, set for Oct. 30.

Murphy responded that his vote was cast in the affirmative because he "think(s) this study should be done." However, he said he would reconsider his position if another vote were held on the RFP.

The Township Committee has split along partisan lines many times this year, but on this issue the group was unanimous. Commissioner George Jorn, a Democrat, said attention should be paid to the fact that privatization could turn the RVSA's facilities over to a foreign company. "I think it's just a bad idea," he said during Tuesday's vote.

Some of the strongest criticism came from resident Leo McMahan, who also attended the Oct. 18 RVSA meeting. He called Murphy a "patsy" for politically motivated RVSA members who pushed thorough the RFP plan.

"Mr. Murphy, you certainly weren't interested in the welfare of the township," McMahan said.

# Privatization Would be More Costly For Rahway Valley Sewerage Plant

Privatization is likely to result in unnecessary and additional rate increases to pay for professional fees to administer the contract and to pay for work not specified in the contract (“extras” or “change orders”).

The Rahway Valley Sewerage Authority (RVSA) is spending over \$200,000,000 to expand and upgrade its treatment facilities. It is likely that a contractor will perform minimal maintenance resulting in premature equipment replacement (capital expenditures). Capital replacement is not included in privatization contracts. RVSA’s public employees are currently operating some equipment that is 20 to 40 years old. It is unlikely that the new equipment will have this lifespan if maintained by a private contractor who is not financially responsible for its replacement.

Private Contractors are “For Profit” businesses. Who do you think will pay for their profits?

RVSA is considering privatizing its cogeneration facility that is currently under construction. They don’t even have a baseline of operating and maintenance expenses to use in evaluating a privatization contractor’s proposal.

Pursuing proposals from privatization contractors will cost about \$500,000 in professional fees for preparing the Request for Proposals and the contract and for reviewing the proposals that are received. This is in addition to the professional fees that will be incurred for administering the contract.

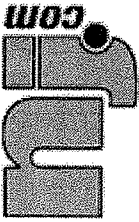
There is a history of failed privatization contracts, e.g. Atlanta Georgia. Research the privatization failures for yourself for starters. Visit [citizen.org/documents/atlantafiasco.pdf](http://citizen.org/documents/atlantafiasco.pdf) and [www.cbc.ca/fifth/deadinthewater/america.html](http://www.cbc.ca/fifth/deadinthewater/america.html).

What you can do? Attend RVSA board meetings and speak out. Meetings dates are posted at: [www.rahwayvalleysa.com/rvsa\\_official\\_business/meetings\\_minutes/meet\\_minutes.html](http://www.rahwayvalleysa.com/rvsa_official_business/meetings_minutes/meet_minutes.html).

Attend mayor and council meetings and speak out write to the RVSA commissioners. Write to your local elected officials and your state legislators at public meetings. Talk to the press against privatization. Get involved! It’s your money that is going to go down the drain.

**Tony Gencarelli  
Edison**





Everything Jersey

Search NJ.com:

FAQ | RSS Feeds | Site Index

About Us | Contact Us | Advertise  
Tuesday, October 23, 2007

NEWS SPORTS FORUMS BLOGS MULTIMEDIA ENTERTAINMENT SITE INDEX JOBS AUTOS REAL ESTATE

NJ.com - News - Star-Ledger - Union County -

The Star-Ledger

Subscribe  
Today's Paper & More

# Commissioners weigh private operation of Rahway Valley

Tuesday, October 23, 2007

BY CARLY ROTHMAN  
Star-Ledger Staff

In a close, critical vote last week, commissioners of the Rahway Valley Sewerage Authority authorized the first step of a data-gathering process to assess the cost benefits of hiring a private company to operate the public facility. While opponents denounced the measure as a premature push toward privatization, supporters said the resolution allows for research necessary to determine whether private management could stem operating costs and help limit the burden on taxpayers.

"I'm not necessarily for privatization," said Rahway Commissioner Peter Pelissier, who proposed the resolution. "It works in some cases, it doesn't in others. The information alone could be quite valuable." The resolution, which passed Thursday by a vote of 6-5, permits the authority to recruit legal, engineering and finance experts who could later be authorized to request proposals from private companies. The resolution also specifically requests the cooperation of authority staff.

"It's just a small step in a long process," said Interim Executive Director Michael Brinker. Privatization has long been a hot-button issue at the authority, which is currently undergoing court-ordered construction and renovations costing about \$250 million.

These costs are already trickling down to taxpayers in the authority's 11 member municipalities. Rates were hiked last year to help cover the cost of the authority's debt service, which climbed from \$1.2 million to \$2.5 million between 2005 and 2006, according to data provided by authority secretary-treasurer Robert Materna.

Over the next 30 years, as the authority pays off its debt, the annual debt service will reach nearly \$14 million, Materna said. "That's pretty much cast in stone. We can't do anything about it," Materna said, adding, "The (operating costs), we have some control over."

The current privatization debate hinges on those costs. Scotch Plains Commissioner Joan Papan, who voted against the measure, noted mayors of the authority's member municipalities agreed at a special forum last year to wait until at least a year after the renovated facility is operational before deciding whether to investigate privatization. Only then, she said, will the actual cost of running the plant be known. "You'll know what the figures are," she said, noting other public authorities in New Jersey have opted against private management. "It's too early to do this."

But Pelissier said private companies who have experience managing similar authorities may have insight into what those costs will be and how to control them. Even if the commissioners ultimately vote not to privatize, he said, the proposals could contain

## INSIDE

- News
- Archives
- Elections
- NewsFlash
- Newspapers
- News Obituari
- Paid Death Nc
- Transit
- Statehouse
- Special Projec
- Weather Centri

## Site Tools

- E-mail This
- Print This
- Search Site
- Newsletters

## Special Secti

- Premier Estate
- Bridal Planner
- Homefinder
- Real Estate
- Travel
- NJ Teachers
- Auto Dealers
- NJ Dining Gui
- Special Secto


Commissioners weigh private operation of Rahway Valley- NJ.com


helpful strategies public employees could apply.

Still, those on both sides of the debate agree the research process itself could be costly, noting fees owed to hired experts and time spent by authority employees to help prepare the requests.

"I wouldn't say it's worth it and I would say it isn't," Brinker said, adding, "That's a time-consuming and money-consuming process."

*Carly Rothman may be reached at [crothman@starledger.com](mailto:crothman@starledger.com) or (908) 302-1504.*

 Print This

 E-mail This

-----

# Citizen Questions Rahway City's Water Pact

By JESSICA E. JASKULA  
Specially Written for The Westfield Leader

RAHWAY — At Monday's Rahway City Council meeting, Anthony Gencarelli, an employee of the Rahway Valley Sewerage Authority (RVSA), used the public comment segment to voice his concerns about the authority's privatization plans. His comments were not made on behalf of the authority, but rather as a citizen, he said.

Council members received handouts with facts and a summary of Mr. Gencarelli's main points. He showed his opinion as to why there is an interest in privatizing RVSA, which included "procurement fees for professionals (\$500,000), fees for professionals to administer the contract and favors owed to privatization firms." He also noted, in his opinion, what would be the pitfalls of privatization, including "opportunities for corruption at the expense of the ratepayer, rate increases, work force reductions cost the community, the quality of service drops and a loss of flexibility and accountability."

According to Mr. Gencarelli, terminating a contract with United Water could be a very expensive move for the City of Rahway. In the water services agreement with United Water dated September 29, 1999, current termination fees could range near \$10,000,303.

"Even if terminated for cause, the city has to prove that United Water willfully or intentionally breached the contract in order to avoid paying the termination fee," Mr. Gencarelli said.

He also referenced Rahway Mayor James Kennedy's State of the City Address, dated January 2 of this year, in which Mr. Kennedy proposed "that it is in the best interest of Rahway taxpayers to discuss the privatization of the RVSA to cut costs and improve operations."

Responding to that statement, Mr. Gencarelli included a copy of Rahway's water rates in the handouts

he presented to the council. Union Water privatized Rahway Water in 1999, and water rates increased by 56.35 percent. In the following year, 2000, the annual percent increase was 3.02 percent, and the next-highest increase was from 2003-2004, in which the annual percent increase was 4 percent.

"That is why I'm really here," he told *The Westfield Leader*. "I don't want the taxpayers to get a raw deal."

In response to Mr. Gencarelli's comments, Rahway Business Administrator Peter Pelissier, a member of the RVSA, said the city's contract with United Water "saved the taxpayers, had we not privatized, \$32 million. We had a responsibility to consider, evaluate and understand the cost. United Water had improved quality, so the prices went up."

He said these fees are not that far away from other sewerage authorities in the area. Mr. Pelissier was the only council member to respond to Mr. Gencarelli.

---

---

## WF BOA

---

---

CONTINUED FROM PAGE 1

prevention.

Joseph and Barbara Pagano of 758 Prospect Street sought permission to demolish an existing single-family dwelling and construct another.

Some neighbors expressed concerns about additional water runoff due to the removal of vegetation. However, their architect proposed a double-row of evergreen shrubs to curb this effect. The board passed this application with that stipulation.

The board approved the application of Joseph and Mindy Nitti of 528 Boulevard to retain an already-existing garage with a setback of six feet, rather than the required 10 feet.

The board announced that it would hold a special meeting sometime in September to catch up with more than 20 applications that it has not yet heard.



## Letters to the Editor

### RVSA Employee Speaks Out Against Privatization, Unreasonable Legal Fees

At the Monday, August 13 City of Rahway Council Meeting, I spoke out against privatization of the Rahway Valley Sewerage Authority (RVSA) and the raw deal that the City of Rahway ratepayers got when their municipal water company was privatized by United Water. Their rates went up over 56 percent the first year of the contract (1999) and have gone up every year since.

I have reviewed the contract and took the time to point out a number of provisions in the contract that serve the best interests of United Water to the detriment of the city's residents.

In response, Business Administrator Peter Pelissier stated that the city has saved \$32,000,000 by privatizing the municipal water company and that this savings is documented. First of all, it is a twenty-year contract, so they haven't saved all of this money yet. In fact, I don't believe that they have saved any money. (How could they with a 56 percent rate increase in the first year?) Secondly, these savings are based on estimates, which must be flawed.

In my opinion, the majority of the RVSA Board is being controlled and/or influenced by State Senator Raymond Lesniak — and his law firm is unreasonably benefiting. [In 2006] RVSA paid approximately \$541,000 to the firm of Weiner-Lesniak for legal services. That's about 10 percent of RVSA's total labor cost for about 60 fulltime employees. Weiner-Lesniak's fees for 2006 to RVSA translate to over 3,000 billable attorney hours at their rate. Do you believe that there is that much legal work at RVSA?

The total labor cost at RVSA for 2006 was approximately \$5,400,000. That amount includes payroll taxes, pension benefits, medical benefits, and of course salaries and wages.

Rahway Business Administrator Pelissier is also an RVSA Commissioner. Perhaps, I could be fired from RVSA for speaking out against privatization, or for other reasons. I hope not, but I will con-

tinue to fight for what I believe is right.

Anyone interested in hearing more about privatization at RVSA or the raw deal that the ratepayers got in Rahway is welcome to contact me at [Gencare\\_97@yahoo.com](mailto:Gencare_97@yahoo.com).

**Anthony Gencarelli  
Edison**

---

### Les Marmitons Set Culinary Programs

CRANFORD — The men's culinary group, Les Marmitons, announced their schedule for the upcoming year. The group will hold 10 monthly events starting in September. On June 6 to 8, 2008, they will host the international gala at the Grand Summit Hotel.

The regular monthly events will be held this year on the third Tuesday of the month and at a new venue, the VFW Kenilworth Post 2230, 33 South 21st Street, Kenilworth.

President Bob Rial of Les Marmitons of Cranford said that the VFW is well equipped having an eight-burner stove, four ovens, a large refrigerator and a commercial dishwasher. A shortfall of pots, pans, and plates will be made up through reserves in the group's treasury managed by Richard Dreher and buoyed by the success of their summer BBQ fundraiser. Mr. Rial added, "As always, no one leaves until the place is clean!"

He thanked Restaurant 89 in Mountainside for their generosity in hosting the club last year. The group is visiting restaurants and meeting new chefs in the area during the fall to lead them during their cooking sessions.

Les Marmitons is a gastronomic and social club of gentlemen who share a common interest in fine food, wine and the culinary arts. For more information, see [lesmarmitons.org](http://lesmarmitons.org).

For those interesting in joining, contact Bob Rial in Cranford by e-mail at [rialkinc@comcast.net](mailto:rialkinc@comcast.net).

**Damage claim denied for fallen county tree**

On May 13 of this year, a tree owned by the County of Union fell and demolished the entire rear section of fence on my property. I put in a claim pursuant to the statute and was advised by Rosalba Comas, Deputy County Counsel, County of Union, that my claim was denied due to the fact that I did not give the county prior notice of the condition of the tree, which is one of hundreds of trees in the woods in back of my house.

This is outrageous. I am not an arborist — I have no idea if a tree is dead, alive, going to fall or will ever fall. The tree in question was 70 feet in back of my property line and fell across the Rahway Valley Railroad tracks, which border my property, and damaged the fence. The county parks employees came and cut up the tree and left the logs in back of the fence, which makes it difficult to repair the fence and, of course, will become the new home of any snake, rat or mouse in the vicinity. Who's going to pay for getting rid of those vermin when they make their nests and refuse to leave? That's a question I'd like answered by Ms. Comas and the County of Union. I've already seen a stray deer or two hop over the damaged fence to wander through the yard. I have small nieces and nephews that come to visit and cannot use the backyard as a play area due to the present conditions.

I've been advised that the Parks employees will be back at some unknown future time and roll the logs away onto the railroad property, but I've requested that they take them and return them to the woods where they came from. Moving the logs from a 70-foot plus tree from one private property to another is inexcusable.

I have asked the county to reconsider their decision, since I believe that it is the county's obligation to maintain their property — not mine.

— Sandy Turlowicz, Union

**RVSA gives Rahway ratepayers raw deal**

At the Monday, August 13 City of Rahway Council Meeting, I spoke out against privatization of the Rahway Valley Sewerage Authority (RVSA) and the raw deal that the City of Rahway rate payers got when their municipal water company was privatized by

United Water. Their rates went up over 56 percent the first year of the contract (1999) and have gone up every year since.

I have reviewed the contract and took the time to point out a number of provisions in the contract that serve the best interests of United Water to the detriment of the city's residents. In response, Business Administrator Peter Pelissier stated that the city has saved \$32,000,000 by privatizing the municipal water company and that this savings is documented. First of all, it is a twenty-year contract, so they haven't saved all of this money yet. In fact, I don't believe that they have saved any money. (How could they with a 56 percent rate increase in the first year?) Secondly, these savings are based on estimates, which must be flawed.

In my opinion, State Senator Raymond Lesniak — and his law firm and associates are unreasonably benefiting. [In 2006] RVSA paid approximately \$541,000 to the firm of Weiner-Lesniak for legal services. That's about 10 percent of RVSA's total labor cost for about 60 full-time employees. Weiner-Lesniak's fees for 2006 to RVSA translate to over 3,000 billable attorney hours at their partner rate. Do you really believe that there is that much legal work at RVSA?

The total labor cost at RVSA for 2006 was approximately \$5,400,000. That amount includes payroll taxes, pension benefits, medical benefits, and of course salaries and wages. Rahway Business Administrator Pelissier is also an RVSA Commissioner.

Anyone interested in hearing more about privatization at RVSA or the raw deal that the rate payers got in Rahway is welcome to contact me at Gencare\_97@yahoo.com.

— Anthony Gencarelli, Edison

**HOW TO REACH US**

The Union Forum welcomes letters on local issues. Letters should be kept as brief as possible and should be mailed to The Star-Ledger news bureau at 585 N. Michigan Ave., Kenilworth, N.J., 07033, faxed to (908) 302-1510, or e-mailed to union@starledger.com. Letters must include the writer's name, address and telephone number for verification. All submissions become property of The Star-Ledger and will not be returned. Submissions may be edited and may be published and otherwise reused in any medium.

o  
y  
it  
ie  
of  
l-  
1-  
ie  
ly  
re  
le  
at

# RVSA Employees Oppose Plant Privatization Proposal



Horace R. Corbin for *The Westfield Leader*

Rahway Valley Sewerage Authority employee Anthony Gencarelli, left, speaking as a "private citizen," discusses his concerns about privatizing RVSA's wastewater-treatment operations with *The Westfield Leader* assignment editor Paul Peyton in the newspaper office last week.

By PAUL J. PEYTON

*Specialty Written for The Westfield Leader*

WESTFIELD – Employees at the Rahway Valley Sewerage Authority (RVSA) have started attending RVSA board meetings again in opposition to any plans for privatizing RVSA's wastewater-treatment operations. The board has moved ahead in seeking bids for its cogeneration facility.

The Rahway sewer-treatment facility is currently undergoing a \$150-million upgrade of its facilities. Member towns, including Westfield, Scotch Plains, Mountainside and Garwood, face increases as part of the debt incurred by the RVSA for the project, which resulted from a court order.

Anthony Gencarelli, an RVSA employee speaking as a "private citizen," sat down with *The Westfield Leader* and said he has concerns

over the authority's overall operation and direction it has taken on privatization. "I just want it to be clear that I am not speaking on behalf of the authority."

"There are people [who] I think accuse me or feel that I am in this strictly for a self-preservation point of view concerning my job. Nothing could be further from the truth," he said.

The RVSA hired Consolidated Construction Management Services (CCM) as the construction management firm for the facility upgrade.

Mr. Gencarelli said CCM did not have sufficient staff to handle the project. "These guys don't have the experience. They don't have the know-how. They should have never been awarded the contract."

He said other larger firms did not

CONTINUED ON PAGE 12

# RVSA Plant Privatization

CONTINUED FROM PAGE 1

apply for the construction-management contract, instead opting to be subcontractors for the project. "I believe they were told that was the way it was going to have to be done for them to get the work," he said.

Mr. Gencarelli said the Bergen and Passaic County sewerage authorities and the Joint Meeting of Essex and Union Counties opted not to privatize their wastewater-treatment facilities. He said he asked the RVSA board to request documents from both authorities on why they rejected privatization. Although RVSA Commissioner Jim Murphy, chairman at the time, agreed, "the investigation was never pursued," Mr. Gencarelli said.

According to an RVSA report on privatization prepared by NW Financial Group, LLC, and Weiner-Lesniak, RVSA's legal counsel, benefits of privatization would include stabilizing property taxes and reducing governmental operating budgets. Ray Lesniak, a partner in the firm, is a long-time state senator from Elizabeth, which is part of the 20th legislative district along with Kenilworth, a member of the RVSA. "I see that as a conflict," Mr. Gencarelli said.

He said RVSA was charged \$30,000 for preparation of that report.

Officials have said privatization negotiations would cost RVSA \$500,000.

Mr. Gencarelli estimated that, based on his research, rate increases to member towns would be around 12 percent a year if a private company ran the day-to-day operations of the sewerage-treatment facility. He fears privatization would bring "opportunities for corruption at the expense of the ratepayer" along with rate increases, workforce reductions, a decline in service and a loss of accountability.

He said commissioners Joan Papen of Scotch Plains, Clark Landale from Mountainside and Allen Chin of Westfield oppose privatization. Thomas McHale of Kenilworth, who just resigned from the board, also opposed the plan.

During a mayors' forum on privatization last fall, Mr. Gencarelli said the board decided "that it made more sense to let the authority staff run the plant, get a baseline, see what it is costing the ratepayers for us to run the plant. And then you have a basis for comparison," he said.

"Negative impacts of privatization [are] rate increases. Rahway Water is a prime example. That was privatized by United Water," he said.

From 1983 to 1998, there was one Rahway Water rate increase of 20 percent, Mr. Gencarelli said. When the system was privatized by United Water Company in 1999, rates "went up 56.35 percent in one shot," he said, noting that United Water decided to eliminate its discount to users.

"There is only one customer that uses that much water in Rahway Water service area - Merck," he said. He said when Merck heard of the discount elimination, it turned off its valve. "They were buying all their water from Elizabethtown (Water). United Water had to come back and renegotiate with them."

When United Water proposed a privatization plan for RVSA in 2006, it promised \$3 million in savings (15 to 20 percent) on a \$16.2 million RVSA operating budget, according to a report obtained by *The Leader*.

"We have the ability to steer the authority clear of costly missteps and to drive the organization to greater efficiency," according to United Water's presentation to the RVSA in 2006.

"(The \$3 million in savings is) not going to happen. They'd have to cut (the portion including labor, fuel and chemicals) by 37 percent. We don't have that kind of fat in (the RVSA

budget)," Mr. Gencarelli said, factoring in that United Water would also look to make a profit on top of producing a savings for the RVSA.

"We are currently operating equipment that is 30 to 40 years old," Mr. Gencarelli said. He said under a five-to-10-year contract, which he believes RVSA would likely look at, a private operator could "drive the equipment into the ground" by not doing the "required maintenance."

In documentation he presented to *The Leader* during the interview last week, he said legal fees for the authority have soared from \$91,000 in 1996 to more than \$600,000 this year with Weiner-Lesniak. A total of \$750,000 of RVSA's \$16.2 million operating budget covers legal fees. Salaries and benefits are \$5.7 million. He said the firm bills \$175 an hour as its partner fee. He said dividing the fee into \$500,000 shows 2,857 hours of work.

"Seventy-one weeks of a full-time attorney working for us. There is no way we have that much legal work," Mr. Gencarelli said. "Right now, there is no dollar limit on their contract."

"My sense is [that] logic [and] engineering judgment [are] not going to prevail (on stopping privatization). And it's not going to work on our board coming from our employees.

"We've given them what they need to know, and it's been ignored," he added. "The pressure is political, in my opinion, from outside... The only chance we have of doing the right thing is for the public to get involved. Get them to the meetings."

The next RVSA meeting is Thursday, July 19, at 7:30 p.m. at the board's meeting room at 1050 East Hazelwood Avenue in Rahway.



QUIET SCENE... The Manor Park Pool Brooklyn boy drowned there the previous siblings were visiting the pool with friend

## Boy, 6, Drown

CONTINUED FF

Police Captain Cliff Auchter denied that claim.

"First of all, we don't have all the full facts," Capt. Auchter told *The Leader*. "Nor would I have indicated... that (the shift change) would have been the cause."

"There are still way too many unknowns," Capt. Auchter said.

Furthermore, shift changes at life-guard stands are similar to police shift changes. "It's a continuum," he said, in which people are specifically relieved one-on-one, not leaving the chair vacant.

Capt. Auchter said rumors that the boy had throat surgery have yet to be confirmed or denied, as he has not spoken with the boy's mother.

"We don't know if this child suffered an illness, a seizure," he said. "We don't have the autopsy report. We're just classifying it as still under



Wayne Baker for *The Westfield Leader and The Times*

**DON'T EVEN TALK ABOUT IT...** Tony Gencarelli, regulatory compliance manager at Rahway Valley Sewerage Authority, voices his objection to the RVSA board's decision to revisit the prospect of privatization. Pictured, in the foreground, from left to right, are: Michael Brinker, RVSA interim executive director, and Commissioners Charles Lombardo of Garwood, Joan Papen of Scotch Plains and Peter Pelissier of Rahway. In the background are RVSA employees.

## Privatization Dominates RVSA Board Meeting

By WAYNE BAKER

*Specially Written for The Westfield Leader and The Times*

WESTFIELD — Employees of the Rahway Valley Sewerage Authority attended last Thursday's board of directors meeting and voiced their opposition to the privatization of the RVSA's cogeneration facility.

Last month, the board voted to authorize a request for qualifications (RFQ) to determine interest and competence of firms as to their potential to run the authority's cogeneration facility. The measure had been approved over the objection of multiple board members who said the response of the mayors' last fall was that the authority must operate the new facilities for a year before considering privatization.

Describing privatization's effects on the authority's employees, Dan Ward, a maintenance manager at the plant, stated that it is "disruptive when discussions like this come up." He said when the board considers privatization, it has a corrosive effect on employee morale.

Another employee, Anthony Gencarelli, the authority's manager of regulatory compliance, directed his comments at correcting a number of things said by Commissioner Peter Pellesier of Rahway, which Mr. Gencarelli said were incorrect. He requested a member of the board introduce a motion to revoke the RFQ, which the board had approved at the May meeting. He concluded his statements

by referring to his coworkers, saying, "My fear is that you'll lose these guys."

The meeting moved on to other issues, including follow-up discussions relating to the explosions during Caterpillar's testing of new engines. During this discussion, Michael Brinker, the authority's interim executive director, was responding to a question when Mr. Pelissier objected to something Mr. Brinker said.

During the exchange Mr. Pellissier said he does "appreciate the employees' esprit de corps" and the board's "fiduciary responsibility to ratepayers."

Mr. Brinker addressed questions of the authority's ability to run the new portions of the plant (cogeneration and sludge drying) by noting that although final manuals were not yet in possession of the authority, training had been proceeding with preliminary manuals.

Mr. Brinker said of the new facility, we "have enough to start it up and keep it going based on what we have now."

The board went into closed session to discuss personnel issues. During the discussion, voices raised to a level at which they could be heard in the hallway outside. The board reopened its meeting before adjourning.

In other business, Joan Papen, the commissioner from Scotch Plains, was appointed vice chairman of the board, replacing Thomas McHale of Kenilworth, who resigned from the board effective July 1.



# SP Council Rejects Changes To Bond Ordinance for Field

By FRED T. ROSSI  
*Specially Written for The Scotch Plains-Fanwood Times*

SCOTCH PLAINS — The township council next Tuesday will vote on a \$1.9-million bond ordinance to finance the construction of a lighted artificial turf soccer field behind the southside firehouse. Due to the large number of residents expected to attend the public hearing on the ordinance, the council's meeting will be held at Scotch Plains-Fanwood High School at 8 p.m.

During the council's conference meeting on Tuesday, Councilman Kevin Glover, stating that he wanted to support the project, said he favored using additional township open-space trust funds for the down payment on the bond in order to reduce future payments to pay off the bond.

Mr. Glover, who estimated the trust fund currently has \$800,000, said half the fund should be used for the bond's down payment, instead of the \$95,000 being proposed. He called it "an appropriate use of what's in the bank today."

Mayor Martin Marks, who estimated the fund has \$700,000 to \$750,000, said use of the trust-fund money is "a year-to-year decision that this and future councils will have to make." He said, "We can't commit future councils to how [this bond] is paid for."

The mayor said some of the trust-fund money would be needed to pay off bonds that financed prior projects like Memorial Field and the Field of Dreams project at Park Middle School.

Mr. Glover called the \$95,000 down-payment figure included in the bond ordinance that was introduced last week "a little soft," and said with \$250,000 collected in taxes for the trust fund annually, "future councils can decide how to spend [that \$250,000] coming in every year."

Township Manager Thomas Atkins said dedicating more than \$95,000, or 5 percent of the bond, could be problematic since the municipal government does not know the outlook for the 2008 township budget at this time. He said any change in the level of down payment would require an amendment to the ordinance and a delay the council's vote on the bond ordinance.

Mr. Glover said it had been intimated earlier that the cost of the new field would have "nil impact" on taxpayers, although the mayor said he had only suggested that it was a possibility, not a certainty.

"Let our constituents know," Mr. Glover told the council in pushing for a bigger down payment, "that we took a prudent course of action."

Mayor Marks said multiple times on Tuesday that the council would have the option during its 2008 budget discussions early next year of increasing the amount of trust-fund money to pay off the soccer field and other bonds. Staying with a 5-percent down payment, he said, "gives us flexibility" in dealing with next year's budget. And doing so means "we don't hamstring ourselves."

Mr. Glover said using about \$400,000 from the trust fund would still leave \$400,000 in the fund. "We can deal with next year next year," he said. "Why go into debt if you don't have to?"

Councilwoman Nancy Malool said if the 2008 budget picture ends up being more favorable than anticipated, then "we can take additional money" from the trust fund and make a bigger payment toward the bond's principal.

Councilman Jeffrey Strauss said budget constraints next year could lead to a delay in the construction of a new senior and community center at Scotch Hills Country Club, thus potentially allowing more trust-fund money to be used for the soccer field bond.

Mrs. Malool responded by stating, "The only reason I agreed to this field was because of the senior center. That senior center has to happen next year. I will not allow another shovel to go into the ground for another ball field" until the senior center is built.

When the mayor asked if any council members besides Mr. Glover favored boosting the down payment amount, none supported the idea. Mr. Strauss said he didn't want to "encumber the trust fund too much." Using half the fund's available resources, he said, "is too much."

In other business, Councilwoman Paulette Coronato said she had spoken recently with a resident who was "very upset" about the deer overpopulation in the vicinity of the Ashbrook Reservation. She said the unnamed resident feels the deer-reduction program at the reservation the past two years "is having no effect," adding that the resident told her "she knows of people taking matters into their own hands."

Mrs. Coronato said the resident didn't elaborate on what that meant.

"That concerns me," she said, adding that residents need to be better informed about the regulations and laws under which Scotch Plains must conduct the deer hunt, as well as "the dangers posed by taking matters into their own hands."

Mr. Glover suggested posting information on the town's website, and Mayor Marks said information also would be included in the forthcoming township newsletter.

The council plans to approve a resolution next week urging the commissioners of the Rahway Valley Sewerage Authority (RVSA) to, in the mayor's words, "take a slower approach" to the possible privatization of the agency's management. The mayor said a meeting a year ago of the mayors of RVSA's 11 member towns had produced "a consensus that because RVSA is in the midst of a [multi-million dollar] facilities upgrade, before any decisions on privatizing, let's finish the construction project first and see where we stand on running that facility."

The mayor said RVSA commissioners are set to authorize sending requests for proposals for consultants to perform initial work on privatizing the agency. He said he was worried about the RVSA "doing a run" around towns by speeding up the process without input from the municipalities such an action serves.

See related RVSA story on page 3.



# Kenilworth contemplates usage-based sewage fees

By **LESLIE MURRAY**

THE CHRONICLE

## KENILWORTH

Borough residents could be paying for water by the wash load if a plan slated for discussion by the Borough Council next month comes to fruition.

At the Wednesday meeting of the council, Mayor Gregg David said the council will hold a special public meeting on Nov. 20 to discuss creating a sewer utility for the borough that would institute a usage-based fee. In most towns, the total municipal sewer cost is divvied up among properties according to their assessed value.

Councilwoman Kathi Fiamingo has been in talks with the engineering staff that created a sewer authority for Clark last year. Fiamingo said that the public discussion could be "promising" for Kenilworth.

Plans to create user-based systems have sprung up in some municipalities that are members of the Rahway Valley Sewerage Authority (RVSA), which is performing \$250 million worth of court-ordered environmental upgrades to its Rahway facility. The project has sent assessments for the 11 member municipalities skyrocketing.

David, who took over as the borough's representative to the RVSA earlier this year, last week voted against a measure to move forward with a study examining privatization of the authority.

The measure passed by a 6-5 margin. David said he cast his dissenting vote because in a forum last year, a majority of municipal elected officials and professionals concluded the RVSA should run for at least a year in its upgraded state before any decision to privatize the facility is made.

R  
Y  
e  
r  
a  
A  
S  
M  
P  
R  
H  
P  
W  
—  
(

((  
of  
or  
al  
10

cl  
ov  
we  
ac  
Fe  
up  
se  
ca  
wa  
de