

PASSAIC VALLEY WATER COMMISSION **SPECIAL** MEETING OF

August 27, 2025

(OPEN SESSION)

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

RIGO SANCHEZ, President

GERALD G. FRIEND, Vice President

CARMEN DEPADUA, Treasurer

RUBY COTTON, Secretary

JEFFREY LEVINE

RONALD VAN RENSALIER

DEBORAH RIZZI

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

JAMES MUELLER, Executive Director

LOUIS AMODIO, Interim Business

Administrator/Administrative Secretary

YAACOV BRISMAN, General Counsel **(Absent)**

YITZ WEISS, Comptroller

1 MR. AMODIO: On the roll.

2

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

5

6 MR. AMODIO: Thank you.

7 The time is 9:31 a.m.

8 You have a quorum.

9 All of the requirements of the Open Public
10 Meetings Act have been met. Notices have been
11 furnished to all Commissioners; City Clerks of
12 Paterson, Passaic, and Clifton; North Jersey
13 Herald News; The Record - Passaic County edition
14 and the Commission's Executive Staff with a copy
15 posted at the main bulletin board at the Clifton
16 facility.

17

18 (Pledge of Allegiance)

19

20 PRESIDENT SANCHEZ: Thank you, guys.

21 The idea was not to have a meeting in
22 August and that was the whole idea, but
23 unfortunately, the events that have occurred, main
24 breaks specifically that happened in Paterson, has
25 triggered this meeting so we could discuss, you

1 know, first of all, you know, basically what
2 happened, what decisions could we make, and how do
3 we go about it and kind of place priorities in
4 place moving forward.

5 So I thank you for the prompt response for
6 coming so soon to the meeting and let's have a
7 discussion. I appreciate you guys making the time
8 and effort to be here in this meeting.

9 MR. AMODIO: Mr. Mueller, I guess we'll
10 start with you.

11 MR. MUELLER: Sure.

12 So, good morning, everybody.

13 I am sharing screen. Commissioner
14 Depadua, can you see my screen? And Lynann, can
15 you see the screen?

16 COMMISSIONER DEPADUA: I could see your
17 letters. I could hear you and see your letters.

18 Commissioner Depadua, I did email you the
19 presentation as well, so if you check your emails
20 you can follow along. I'll tell you the page
21 number.

22 I'm sorry that's not sharing.

23 So I'll get into it. So, good morning,
24 Commissioners. I appreciate you coming together
25 for this Special Meeting.

1 I'm going to run through the incident,
2 timeline. You know, some of the complexities we
3 ran into, our response, interim measures,
4 subsequent incident on North 1st and Arch, and
5 kind of what we're looking at from here, you know,
6 next steps.

7 So just to start. Hopefully, my slides
8 advance for those who could see the slides.

9 So the initial incident occurred on
10 August 8th, 2025, and at 2:00 a.m. the Pumping
11 Station detected a major main break in the system.
12 They communicated with the treatment plant and
13 they increased the chlorine residuals, the
14 residual at the plant to 2 milligrams per liter in
15 the system.

16 At 6:00 a.m. the actual leak was found
17 near Hinchcliffe Stadium. We did send people out
18 in the dark. They did not locate the leak until
19 daylight and then the actual surface expression of
20 the leak was found at 6:00 a.m. in a heavily
21 wooded area right next to Hinchcliffe Stadium.

22 Right after that, I triggered our incident
23 command structure to set up folks and be ready to
24 respond to this event.

25 We did institute a Boil Water Advisory for

1 all of Paterson at first and it expanded to
2 Prospect Park due to loss of pressure. I'll talk
3 about that in a little bit, but that was an
4 overabundance of caution. It turns out half of
5 Paterson did not need to be in that Boil Water and
6 we did lift them incrementally about a week later,
7 but at first we put all of Paterson in Boil Water.
8 No other parts of our system were impacted other
9 than Paterson and Prospect Park.

10 It did impact, and I'll talk about this in
11 a little bit, it did impact Haledon and North
12 Haledon, which are run by the Manchester Utility
13 Authority, and we did communicate with them, but
14 we don't run that system. So it did impact our
15 wholesaler Manchester Utility Authority.

16 Our emergency contractor, JF Creamer, was
17 called in to begin digging in the area of the leak
18 due to the large volume of the water at the
19 surface. This made digging extremely difficult
20 and required isolation of the main.

21 Complicating that, there were multiple
22 pipelines that run through this area, including a
23 24 inch, a 30 inch, and 48-inch transmission
24 mains, and it was unclear which main was impacted
25 initially. It was suspected that it was either

1 the 24 or the 30 inch. I have a map in a second.
2 I'll explain that. But we did not know exactly
3 which main was impacted.

4 Distribution staff, PVWC Distribution
5 staff, started to locate valves in the system to
6 isolate the leak starting with the 24-inch main.
7 They moved onto the 30-inch main because the leak
8 was not responding to the turning of the 24-inch
9 valves and, again, we were trying to figure which
10 mains it was on. This was part of that process,
11 just turning valves and seeing how the leak
12 responded.

13 By exercising the valves, the leak did
14 diminish. This was somewhat of an estimate, but
15 in the field they're saying it went down by about
16 half by turning those valves in the 30. So it was
17 good that we made somewhat of an impact, but it
18 was not enough for dewatering pumps to keep up
19 with and really inhibited our ability to dig
20 because there was still too much water coming out
21 of the hole.

22 Like I said, Manchester Utility Authority
23 was notified that we had low pressure from Burhans
24 Ave. Pumping Station that pumps over to Haledon
25 and North Haledon and then by 11:30 that night all

1 of the valves had been operated and the leak was
2 still too great to effectively excavate, so I made
3 the decision to install a line stop on the 30-inch
4 pipe to better isolate the line.

5 So that's day one.

6 I can keep moving. There's more slides
7 and some more details. If there's any questions
8 on this event...

9 PRESIDENT SANCHEZ: I think, you know,
10 whatever happens, we got to know what happened,
11 but basically, I think the anxiety that I
12 personally had and maybe some of the other
13 commissioners is, you know, what is the
14 ramifications of this? I know you guys went into
15 the well and did a lot of work and you guys did a
16 terrific job with the stop and whoever did the
17 work. I think we are more concerned in terms of
18 what's going on with the system now, you know,
19 where are we? Could this happen tomorrow again?
20 Are we prepared? Do we have the funds? How much
21 did it cost? What's going to be our priority? If
22 anybody has any other opinions, please bring it
23 up.

24 COMMISSIONER FRIEND: I agree with you,
25 Rigo. I think, you know, basically, whatever

1 you're saying now, Jim, you've either given us in
2 reports already or we've seen on TV at night or
3 whatever, so I agree with Rigo. I think I'm more
4 concerned about A...

5 (Zoom interruption)

6 MR. AMODIO: One second.

7
8 (Whereupon, Commissioner Levine is present
9 at 9:40 a.m.)

10
11 COMMISSIONER FRIEND: I'm more concerned,
12 like Rigo said, about, you know, what are we doing
13 to forestall this from happening again in the
14 future? You know, I don't think our five-year
15 plan or ten-year plan encompasses what really has
16 to be done at this point and if we have to go out
17 and bond and get things done quicker, you know,
18 that would be my proposal, because if we know that
19 there's a dangerous situation out there, you know,
20 I think we've got to address it quicker than 2028
21 or 2030, which are some of these things that are
22 on your list that you have attached here.

23 You know, one of my concerns too is, you
24 know, supposedly a consultant was working on this
25 project and, you know, was scheduled according to

1 the work was in the paper or that you were quoted
2 to say that it was supposed to be undertaken at
3 the end of the year 2026. I mean, you know, we're
4 in 2025.

5 I'd like an explanation, number one, why
6 it takes so long for a consultant and the project
7 to be initiated at the end of 2026 and do we need
8 consultants when the pipe breaks? Boy, we got in
9 there quick without a consultant and obviously
10 knew what to do to replace the pipe.

11 So are there other areas of concern that
12 we can do the same thing, just go in and get the
13 work done and it will cost us 50 percent less
14 because we won't have the overtime cost and things
15 of that nature?

16 So those are some of my concerns that I
17 would like addressed. I'll leave it at that for
18 now.

19 COMMISSIONER COTTON: Jim, if I may? In
20 the beginning I did not know it was three mains.
21 I thought it was just a 30-inch pipe that bust. A
22 day later I see 24, I see 48. Now, these three
23 mains, you need to tell us where they connect to,
24 like, what city 24 goes to, what city 30 goes to,
25 what city 48 goes to. I think that's what we need

1 to know, because in the beginning it just said
2 30-inch main and then it said, oh, it will be back
3 up by 10:30. I said it's not going to be back up
4 by 10:30 at night. This was in the morning. I
5 know it's going to take a lot longer than that.

6 So these three mains, tell me what these
7 three mains, they run through and who they
8 service, because they were all about servicing,
9 because I didn't have a water problem, my water
10 was slow, but I still had water.

11 So the one side of town in Paterson that
12 was most affected was that 1st Ward going up that
13 hill up there by Prospect Park and Haledon and
14 North Haledon. See, the issue that we were trying
15 to figure out is that who was impacted. Once
16 people discovered they could get free water, then
17 everybody came out and they made it more like, I'm
18 trying to say, you have water in your house, you
19 can shut your water on, why are you on line.

20 COMMISSIONER FRIEND: I think people were
21 just afraid even if they had water.

22 COMMISSIONER COTTON: Afraid?

23 COMMISSIONER VAN RENSALIER: That they
24 were going to lose water.

25 COMMISSIONER COTTON: Okay. Jim, just

1 tell us, where does the 30 inch go? Where does
2 the 24 inch go? Where does the 48 inch go?

3 MR. MUELLER: So they go to different
4 areas. The 24-inch actually discharges to the
5 area where we lifted the Boil Water. The 30
6 discharges to areas -- I'll have to get you a map,
7 Commissioner. I did not have a chance to pull
8 that together for this. I can certainly provide
9 it. But that was a lot of the details we went
10 through as we lifted that initial Boil Water for
11 the south of Broadway part in Paterson. That did
12 not lose pressure to the severe amount of the
13 other areas and we were able to lift that Boil
14 Water soon.

15 So I'll have to get that to you. I don't
16 have it here, I'll have to get you that map. We
17 have a ton of information, I was just trying to
18 give some basic information.

19 You know, it sounds like there's some
20 impatience. I would ask you to bear with me
21 because, Commissioner Friend, your question is how
22 come we can't do this quicker. Some of the things
23 I'm going to walk you through, I'm trying to
24 explain why it takes longer. But the bottom line,
25 if you want the punch line, the bottom line is we

1 can't do this quicker because we could do it
2 quicker if we wanted to disrupt service to
3 everyone. So the real trick is how you address
4 these areas without knocking a hundred thousand
5 people into a Boil Water or no water. That's the
6 real trick. That has to be designed and that's
7 why these areas take longer and we place -- we
8 disrupted people for six or seven days from water,
9 that's how we did this so quickly. When we do the
10 replacements you're all talking about, we don't
11 disrupt a hundred thousand people from water, we
12 could do it quicker, but the disruption is immense
13 and the cost to support that is immense. So
14 that's one reason why it takes longer because we
15 have to design it in a way to minimize impacts to
16 customers. Hopefully, that makes some sense.

17 The detail I was going to provide is to
18 show you some of the --

19 PRESIDENT SANCHEZ: I think that's well
20 said and that's something we should emphasize to
21 the public and to the people. I think that's a
22 great explanation why because it cannot be one day
23 to another.

24 My concern, whatever happened happened,
25 the question is, Yitz, do we have any reserve

1 money?

2 MR. WEISS: Yes, absolutely.

3 PRESIDENT SANCHEZ: What do we have?

4 MR. WEISS: We have an operating reserve
5 in case of emergencies. We have 18 million, over
6 18 million.

7 PRESIDENT SANCHEZ: So how are we going to
8 end up with this?

9 MR. WEISS: I'm going to leave it up to
10 our Executive Director to finish his report.

11 MR. MUELLER: Listen, I'll skip ahead. I
12 understand the impatience, so I won't go through
13 the details and the complexity, but I think it's
14 understood maybe just based on what I said. It's
15 very complex, that's why I have to design these
16 things so we don't impact so many people.

17 With that said, I'll just jump to the
18 financial impacts to date of what we know.

19 So it ended up that both mains were
20 disrupted. Originally, we thought it was the 30
21 because of the valves we tested. That's what I
22 was trying to set up in the beginning, and I won't
23 go through all the details, but the way the system
24 responded, the 24 and 30 are actually
25 interconnected. It was not shown on any plans we

1 had. These pipes are 120 to 140 years old, so are
2 the valves. And we had no indication that they
3 were interconnected there, but they had to be
4 because of the way they were reacting to what we
5 were trying to do. We isolated the 30 and tried
6 to recharge the 24 and water came out the 30. So
7 that's how we knew there was an interconnection.

8 Anyway, so both lines were impacted. 24
9 and 30-inch capital construction for pipe and
10 valve replacements at Hinchcliffe are eligible for
11 a loan under the Emergency response funding with
12 the State of New Jersey DEP with a hundred percent
13 principal loan forgiveness, meaning we don't have
14 to pay it back, up to \$3 million. The estimated
15 cost for that response, for the 24 and 30-inch
16 pipes, where we laid 300 feet of new pipe for 24
17 and 300 feet of new pipe for the 30 is in the \$3
18 million ballpark. I don't have the exact invoices
19 yet from the contractor, but we have daily
20 records. We monitor this 24/7 so we have records
21 at production of the site. When they submit their
22 invoices, we will compare it to the production at
23 the site, confirm the costs are appropriate. But
24 if it's in the \$3 million ballpark, that's labor
25 and material at this point. But once we get the

1 invoice, I'll have a better sense of that. Like I
2 said, detailed records are maintained on work
3 performed to date and we will compare to the
4 invoice when the contractor submits it.

5 So, again, it's in the details of what I
6 just skipped over, but we had a break on the
7 42-inch at North 1st and Arch on August 23rd, the
8 morning of August 23rd. So that we responded to
9 was not on the same scale, anywhere near the same
10 scale as the Hinchcliffe break. We responded to
11 that, you know, Creamer responded to that. Took
12 about a day and a half to isolate that. There was
13 a lot of water coming out. Again, I have pictures
14 in here. You can look at it at your leisure.
15 But, again, there are details on that in here.

16 DEP has also communicated to me that we
17 may be eligible for a hundred percent principal
18 loan forgiveness for that, up to \$3 million for
19 that repair. The estimated cost for the project
20 is much less than 3 million. We've kept our
21 detailed records. I don't have a better estimate
22 than that other than, I mean, if I had to give a
23 number right now, I'd probably say ballpark of a
24 million, but we are going to put in 80 feet of new
25 pipe in that location as well. So we're not just

1 doing repairs, we're actually leaving behind new
2 pipe and we're putting in two new 48-inch valves
3 on the 42 to make it easy to isolate.

4 Part of the problem with these pipes,
5 they're very old. We can't isolate them easily.
6 There's not enough valves or they don't work. So
7 that's, again, part of the design is how we
8 strategically place new valves when we're doing
9 this work. Again, it's the complexity of the
10 system, I don't have to go into too much detail.

11 So that's the capital, right. That's the
12 emergency contract putting in pipe, spending
13 money, that's where we can get up to a hundred
14 percent principal loan forgiveness it looks like
15 in response to both incidents.

16 The non-capital expenditures, like water
17 distribution, water tankers, they're still being
18 compiled. What we have today is a little over 2
19 million, I call it 2.1 million compiled
20 non-capital. So that's not associated with the
21 construction. That is expected to increase.
22 There's more invoices coming. We haven't been
23 billed for anything yet. And just because we're
24 billed, myself and Yitz and Lisa have been talking
25 to this, we're probably going to negotiate some of

1 these prices down and, you know, ready to do that.
2 But, actually, the submittals to date are 2.1
3 million for the Hinchcliffe response. The 42-inch
4 main break response on North 1st and Arch, we
5 don't really have much non-capital other than
6 overtime and the 20 percent response was a much
7 smaller incident and we don't have that same.

8 So that's the financials. Yitz did
9 contact the insurance company to let them know.
10 I've provided some overview information of these
11 incidents. Like I said, it looks like the capital
12 we can get the majority of it covered with not
13 having to pay back the interest. The non-capital
14 piece, Yitz just mentioned. Yitz, did you say
15 there's 18 million in the emergency fund?

16 MR. WEISS: Yes, correct.

17 MR. MUELLER: So it looks like this 2.1
18 million non-capital, it might double in terms of
19 what people submit. Again, that doesn't mean we
20 automatically pay. We're going to scrutinize it.
21 We're compiling. We're already talking about
22 that, me, Yitz, and Lisa and trying to negotiate
23 some of that.

24 Some of it I might also try to capitalize.
25 There were some fire suppression tankers, that was

1 one of the main concerns was fire suppression. So
2 we brought in tankers to augment that in case
3 there was a major fire. There was five fires
4 during this time period. They were all fought
5 successfully and we supported Paterson FD and they
6 were amazing. Everybody was really amazing
7 through this. But I am expecting the expenses to
8 go up. You know, police, security was provided by
9 the Paterson PD, that kind of thing, so this could
10 more than double in terms of what's submitted.

11 State Senator Wimberly wrote a letter, I
12 actually forwarded it to you all on Monday,
13 August 18th. It was cosigned by Assemblywoman
14 Sumter and Assemblyman Abdelaziz requesting four
15 things of the governor: Emergency financial
16 relief to offset residents and small business
17 expenses during the water crisis; utility bill
18 credits and forgiveness in collaboration with PVWC
19 due to undelivered and unsafe water service;
20 deploying rapid response grants and/or zero
21 interest loans to help businesses recover from
22 lost revenue; and prioritizing State and Federal
23 funding for replacement of water infrastructure to
24 prevent these incidents from happening again.

25 I talked to Senator Wimberly last night

1 and he said he knows we had a significant cost
2 ourselves non-capital, so the capital we're doing
3 through the principal forgiveness through New
4 Jersey DEP, but the non-capital he knows it was
5 extensive and he said he was going to revise the
6 letter and include or request to the governor to
7 reimburse PVWC for these non-capital costs as
8 well.

9 I haven't seen that updated letter yet,
10 but I did talk to him last night and he said he
11 was going to work on that.

12 So, again, we're still trying to work
13 through this. We're still compiling. It's pretty
14 fresh, so we are just compiling information. The
15 insurance has been notified. I can provide any
16 information they need of course. I can provide
17 any information to Senate Wimberly. I already
18 provided quite a bit, Congressman Pou as well,
19 regarding funding and the policy paper that I
20 submitted to the State last year regarding
21 funding. The State's been very supportive, but
22 given the vastness of our system and the needs and
23 the age, it's not enough and I have certain
24 proposals in there. I've redistributed those to
25 folks. We're going to pick that back up and make

1 a case again for more longer term funding, because
2 this is not going to be, you know, as Commissioner
3 Friend said, it's not going to be three years and
4 we're done. It's going to be pretty consistent.

5 President Sanchez, you asked me other
6 areas of concern. This 42-inch over by Woodland
7 Park is an area of concern. Again, the emergency
8 contract we registered \$8 million, that's what
9 we're using, so that's a great resource to be able
10 to respond quickly. Again, it looks like we can
11 get reimbursed for this from the State, which is
12 also great. But over in Woodland Park we had what
13 looked like a much smaller leak compared to
14 Hinchcliffe which was a scale like an order, two
15 orders of magnitude greater and even North 1st and
16 Arch, much smaller leak, but we unearthed it and
17 the pipe looks like it's in bad shape.

18 I just got off the phone right before this
19 with my team, internal team and with Creamer
20 saying, okay, let's test it, let's find out where
21 the pipe is good, let's order 42-inch pipe, a
22 hundred feet, 150 feet, get a shutdown plan.

23 You know, to Commissioner Friend's point,
24 why can't it happen quicker, we need to shut down
25 in a way that we don't impact tens of thousands of

1 people, so we're going to work through that. And
2 in the next few weeks, once we get the pipe on
3 site and do our test pits and figure out where the
4 pipe is good, we're probably going to put in a
5 couple of line stops, come up with a shutdown
6 plan, minimize impacts to customers, and go
7 replace another hundred feet of pipe on this.
8 It's about two miles away from North 1st and Arch
9 and it's three or four miles away from
10 Hinchcliffe. So, you know, that's the length of
11 pipe we're dealing with as we unearth these
12 things.

13 That emergency contract is great. One
14 thing is great to have because that allows us to
15 respond. Even the analysis is a lot but we have a
16 vast system, so it warrants that, and I might even
17 come to the board in the next month or two and get
18 another emergency contract so we can work
19 concurrently or maybe a little more proactively.

20 We are also bidding two what we call
21 on-call transmission or water main replacement
22 contracts. Each are \$9 million out of the budget.
23 The schedule you have in front of you shows those
24 to bid in early '26. I just talked to my team
25 yesterday internally and we all know we need to

1 move that up, so I will get back to you on a
2 timeline, but it's certainly not going to be early
3 '26.

4 Go ahead, President Sanchez, please.

5 PRESIDENT SANCHEZ: I believe Commissioner
6 Van Rensalier wants to -- Ron, you have something
7 to say?

8 COMMISSIONER VAN RENSALIER: Well, with
9 respect to compiling a list of all costs, I'd be
10 interested in seeing a line item cost for each
11 area of concern, water distribution, overtime,
12 infrastructure replacement, machinery, portable
13 bathroom and showers. So when you're compiling
14 your list, can you have a detailed list of all
15 line item costs so we can clearly see capital
16 versus non-capital, what those costs were? I
17 think that would be helpful.

18 MR. MUELLER: Yes.

19 COMMISSIONER FRIEND: Also, maybe what you
20 should include in that list, I think when things
21 like this have happened in the past, we've given
22 the customers some type of a rebate as a result of
23 the inconvenience that they, you know, suffered.
24 So maybe based upon what we did on a rebate in the
25 past to other areas that should be taken into

1 consideration too.

2 PRESIDENT SANCHEZ: The thing is, you
3 know, especially in Paterson and Passaic, because
4 the affected person is not the owner of the meter.
5 The landlord is the owner of the meter. And the
6 person that was affected is the tenant. So we
7 need to walk a fine line with that and I want you
8 to keep that that mind. It's not like, I think
9 Paterson has a different type of tenant than
10 Passaic does, so we have a lot of non-owners.

11 COMMISSIONER FRIEND: Good point.

12 PRESIDENT SANCHEZ: The landlord gets the
13 benefit.

14 COMMISSIONER DEPADUA: I agree with you,
15 President, you're correct on that.

16 PRESIDENT SANCHEZ: And my thinking, on
17 the other hand, Jim, is the question is, where do
18 we go from here because there's a lot of anxiety
19 not only on the people that were affected, but
20 there's a lot of anxiety of the ratepayers. Do
21 you know what I'm saying? I mean, somehow people
22 have been complaining that the water bill is
23 getting a little higher than the rates that we,
24 the five dollars that we kind of anticipated.
25 People are like coming over to me and say, listen,

1 you know, it's not five dollars different, I don't
2 know why, you know, maybe because Passaic Valley
3 Sewerage increases their rate by 20 percent, but
4 the question basically is this, where do we go
5 from here? Where the focus should be and what
6 stuff to be put on hold so we can concentrate on
7 this?

8 COMMISSIONER VAN RENSALIER: To your
9 point, Mr. President, the \$18 million that Yitz
10 said we have in reserve seems wholly inadequate,
11 so how are we going to pay for all of it, to your
12 point? Where are we going to get the money? Jim
13 said if we need two more contractors, \$9 million
14 per contractor, that's 18 right there. What about
15 all the other stuff?

16 PRESIDENT SANCHEZ: So the question is
17 moving forward, you know, it's like, you know, now
18 we don't have cake to eat, now we get to eat bread
19 basically. The question is how do we come up with
20 -- how do we adjust? We definitely need to make
21 some adjustments on the stuff we're thinking
22 about. What's necessary, what's not necessary,
23 you know, and I think everybody at this table is
24 thinking, you know, what's our priority now and
25 that's basically what we're asking Administration

1 to come up and kind of, let's work on this because
2 this type of event could keep Passaic Valley Water
3 out of business basically.

4 COMMISSIONER RIZZI: I would just add to
5 that little bit. I don't know who else, I'm sure
6 you were at the site, I've been to a number of
7 main breaks in my life and this was probably one
8 of the most difficult locations I've ever seen.
9 So in terms of the response, shout out to
10 everybody who was involved and in getting through
11 this, I know it has to be very painful for you and
12 so forth, so on that.

13 But I think, you know, I think we realize
14 it reinforces the need for this capital program
15 that we've been talking about at least since I've
16 been here. But I think to the President's point
17 as well, perhaps at some point maybe as you
18 reevaluate how we move forward, maybe there's a
19 listing of what the risks are, right. So where do
20 we prioritize and what are our highest risks, you
21 know, and how do we kind of move forward looking
22 at that.

23 But, you know, all across the country we
24 see underinvestment in the utilities so I think
25 that the fact that we have a plan and revisit it

1 is really, really important.

2 COMMISSIONER FRIEND: Just following up on
3 what Debbie said. It was one of the questions I
4 was going to ask this morning. Do we have a
5 listing of all of the clay pipes that exist
6 throughout our system, because they seem to be the
7 ones that are older and more susceptible to a
8 break and do we have a listing by age? In other
9 words, these types we're told are 140 years old,
10 do we have a listing or a diagram of the pipes
11 that are say over a hundred years old? Because
12 those are the areas that I think we should be
13 addressing because those are the main areas where
14 we're going to get breaks because they're old
15 systems and then they have to be replaced prior to
16 maybe something that's 50 years old.

17 And then just one other follow-up
18 question, Jim. I don't know if you covered it or
19 I missed it. As of this morning, how many
20 residents are without water and how many residents
21 are on a Boil Water Program?

22 COMMISSIONER COTTON: Everybody got water
23 now.

24 MR. MUELLER: I'm sorry, go ahead.

25 COMMISSIONER FRIEND: Everybody got water?

1 COMMISSIONER COTTON: Right. Everybody
2 has water now, right?

3 MR. MUELLER: Yes. I was going to answer
4 the question. Yes, no one has no water, so
5 everyone has water. There's about a hundred
6 thousand people still in a Boil Water. We needed
7 to pause the Flushing Hydrant Program. You know,
8 I was going to go through the details, but it's
9 not important I guess.

10 The Hydrant Flushing Program was restarted
11 this morning. Once the North 1st and Arch break
12 was handled and, you know, we have a log update on
13 pvwc.com in terms of progress on flushing. We
14 need to flush these areas, then we need the
15 bacterial test and once that clears we would lift
16 the Boil Water for everybody in Paterson and
17 Prospect Park and Manchester Utility would
18 probably lift their Boil Water around the same
19 time. They have to wait to flush their system
20 until we pass Burhan's Pumping Station. So that's
21 just a detail.

22 So this is where we are. We got a live
23 update on pvwc.com. People can follow along with
24 flushing. We're about 50 percent done. We paused
25 it for the last couple of days because North 1st

1 and Arch. We started it this morning. So no one
2 is without water and hoping to lift the Boil Water
3 as soon as possible, but it does take time to
4 flush all these hydrants.

5 COMMISSIONER FRIEND: Do we have a listing
6 of the pipes, what they're composed in terms of
7 their age and if they're clay or whatever they
8 are?

9 MR. MUELLER: We do. We do, Commissioner.
10 About 70 percent of the pipes in Paterson are
11 greater than a hundred years old. About
12 70 percent of the pipes in Passaic are greater
13 than a hundred years old. Clifton not as old, but
14 they're cast iron. We don't really have clay
15 pipes. Are you saying "clay"? We don't really
16 have clay pipes. Cast iron is pretty prevalent.
17 Some of these transmission mains were steel. The
18 24 was cast iron. The 30 was steel. The 42 was
19 steel. So some of them are concrete. They're all
20 different and they can be different in different
21 sections. So it's just an artifact of the system.
22 But that's the age. We do have the list of these
23 pipes.

24 One of the problems is, when we look at
25 the pipes, when I looked at the pipes we actually

1 removed, a lot of the section looked great and it
2 was a low point, it was a certain point that gave
3 way and we just needed to get it out of there and
4 put new pipe in, but some of the sections were
5 great. But you're not going to take that
6 four-foot piece -- you know, it's better to
7 restore the whole lengths, some of the joints are
8 really suspect. We're still seeing that with the
9 24 inch. I had to come back, the Great Falls
10 piping alignment, realignment on the 37 on the
11 schedule I'm sharing screen on, row 37, that's one
12 where we want to revisit the scope just based on
13 what we learned when we were digging all these
14 pipes and we're probably doing more extensive pipe
15 placement at the top of the hill than the bottom
16 of the hill and even across the river, we'll be in
17 much better shape. That's this project here.

18 So we have to do design. We have to take
19 our time with the design to minimize impacts to
20 customers. But then we're moving into
21 construction in early to mid 2026. So they're
22 actually on the site resurfacing it now based on
23 all the new pipe we put in and based on the joints
24 that we unearthed and the pipe that's under
25 Hinchcliffe and encroached upon. It's pretty

1 complicated. So, again, we need some time to
2 design them and that's going to be a major
3 project.

4 One thing I want to clarify though. When
5 Yitz said 18 million in emergency fund, there's a
6 difference between non-capital expenditures, which
7 are basically cash, and capital, which is, you can
8 pay in cash, but a lot of it's bonded, right. So
9 we would need \$18 million in cash to fund those
10 two on-call contracts. That's out of the capital
11 budget, it's funded, right. So we got the
12 approved capital budget, we're just getting the
13 projects out. And, again, this emergency contract
14 is great to have because that allows us to respond
15 in realtime.

16 So I don't want you to think we need
17 dollar for dollar for each of these. For capital
18 it just doesn't work that way. And, Yitz, you can
19 maybe explain it a little bit in more detail if
20 needed. But it's not like we need \$18 million to
21 fund two on-call water main replacement contracts.
22 That's all part of our capital plan that the board
23 approved and we'll be advertising shortly getting
24 in replacing local pipes. And then we have
25 project specific main replacements like Great

1 Falls that's extensive and has to be really well
2 thought out. So we minimize impacts to customers
3 but still accomplish where we need to do. I just
4 want to clarify that.

5 COMMISSIONER COTTON: I think my question
6 is, I think Commissioner Friend's question would
7 be like, how many areas, is it 20 areas that
8 supply water to different parts of the city?
9 That's what he was trying to get to. Like, okay,
10 we know there's three behind Hinchcliffe. Where's
11 the other one? Okay. North 1st and Arch Street,
12 I don't believe they lost water in that area.

13 MR. MUELLER: They did not. They did not.

14 COMMISSIONER COTTON: They did not lose
15 water, so I don't understand, everybody was like
16 going crazy, but they still had water.

17 MR. MUELLER: Well, they lost water --
18 when we went to isolate that main to fix it, we
19 had to go over by Riverview Terrace, which is like
20 two miles away, because there was no valves on
21 this transmission. We had to isolate. Had there
22 been, there basically would've been no impact.

23 That's actually one of the things we're
24 doing, Commissioners, putting in two new 48-inch
25 valves under that North 1st and Arch to be able to

1 isolate when we need to more locally and not have
2 to impact people two miles away, and it impacted
3 Fair Lawn.

4 So, again, the work we're doing now, this
5 section is in much better shape. But that was
6 part of the problem, so it wasn't the break, it
7 was having to isolate the break and having to go
8 so far away to do it to cut off water to the
9 Riverside section of Paterson and Fair Lawn.

10 Now, the wholesale folks are supposed to
11 have their own backup supplies, right. Some of
12 their backup supplies are not adequate and they're
13 revisiting that. Like, they have to be ready in
14 an emergency. Things can happen, you know. So I
15 think those other utilities like Fair Lawn and
16 Manchester Utilities, they're evaluating that
17 right now because they didn't have adequate backup
18 if something went wrong with ours and it's not
19 like one hundred percent -- yeah, go ahead.

20 PRESIDENT SANCHEZ: I'm sorry, I know that
21 you wanted to inform the commissioners basically,
22 and we appreciate that. But more than that, you
23 need to sit down with the administration and find
24 out what areas could be, because and at the end of
25 the day we need to supply water and we need to

1 basically that's, you know, we need -- we have a
2 lot of funds and a lot of resources and,
3 basically, what needs to be done is basically
4 money to be put on hold and just like go with
5 this, because we keep bonding and doing this and
6 that, but in the end we're going to have to pay
7 all of that back and the question is, you know, I
8 think what the commissioners would like to see is
9 an investment which is piping and whatever we need
10 to do distribution.

11 So I guess what we're asking you to do is
12 basically go back to the drawing board and say,
13 listen, you know, we could put this on hold, put
14 this on hold, move stuff here and there, and kind
15 of let's get this done, what would wait.

16 COMMISSIONER VAN RENSALIER: Mr.
17 President, I think there should be some emphasis
18 on prioritizing expenditures like, you know,
19 hiring people with excessive salaries and
20 purchasing Mercedes vehicles that we don't need.
21 We need to really focus so that, you know, our
22 priority's keeping the water running, right. And
23 so let's take a hard look at, you know, making
24 these expensive expenditures and let's put them on
25 the back burner so that we secure running water

1 for our ratepayers and our residents.

2 COMMISSIONER FRIEND: And, Jim, also, I
3 had sent you an article a couple of weeks ago
4 concerning utilities that were using drones in
5 order to determine the condition of them on the
6 ground facilities and if we had drones, would they
7 have helped in this situation at all?

8 MR. MUELLER: They might have helped
9 locate them -- well, it was dark. So we found a
10 leak, it wasn't a problem detecting the leak.
11 These pipes ended up to be greater than 25 feet
12 underground because we can never get excavated
13 deep enough get to the pipe.

14 So I don't know. We could certainly fly
15 drones. I talked to the county the other day who
16 has drone pilots. We have a drone, we don't have
17 anybody qualified to fly. Like Commissioner Van
18 Rensalier said, we want to keep salaries tight, we
19 don't want to buy Mercedes vehicles. So we'll try
20 to get somebody to fly the drone. I'm working
21 with the county and maybe a shared services
22 agreement. I just mentioned it to them the other
23 day out in the field, so that's the kind of things
24 we could explore. They have drones that we
25 wouldn't want to use because there's certain

1 software in them that, I don't want to go into
2 details, that the Department of Homeland Security
3 would say, don't use that. But we have a drone
4 they could use and they don't have a qualified
5 pilot. So we have to get somebody licensed.

6 That's the kind of stuff we need to work
7 through, Commissioner. But, yeah, sure, we could
8 fly drones. We'll try to work through the details
9 on that and we'll keep costs down.

10 COMMISSIONER FRIEND: If there are
11 communities around us or utilities around us that
12 do have drones that maybe we can enter into some
13 type of shared agreement with them rather than
14 purchasing our own that they would let us use
15 their drones or cooperate with them.

16 MR. MUELLER: Commissioner, that's a great
17 idea. Like I said, the county has drones. We
18 would not want to use them on our infrastructure.
19 We have a drone we want them to maybe get licensed
20 on and fly our drone. So the shared service
21 agreement I mentioned, that's exactly what I'm
22 talking about.

23 COMMISSIONER COTTON: So, Jim, how can
24 they see something 25 feet under? How does that
25 work?

1 MR. MUELLER: Commissioner, it's not
2 perfect. Again, we can try to do everything we
3 can to detect as much as we can. We put a smart
4 ball through the 42-inch line, it did not detect
5 the area of Woodland Park that I mentioned
6 earlier. It didn't detect it. So, you know, we
7 are doing a lot of assessments, they're not
8 perfect. Right. The data we get back isn't
9 always perfect, so right now I'm test fitting in
10 Woodland Park to determine whether the pipe is
11 good. That's sometimes the best way to do it,
12 especially when you have a known area of suspected
13 problems. We do have tens of thousands of feet of
14 pipe. It's been decades since major investments
15 were made in any of these pipes and that's part of
16 the problem is it's in catch-up mode now and
17 that's absolutely part of the problem.

18 I have a prioritized plan. We have a
19 prioritized budget. I'm working with the State to
20 get principal loan forgiveness. I'm petitioning
21 state senators, congresspeople and Commissioner
22 LaTourette of NJDEP to further change those
23 policies and allow areas like ours to get more
24 principal loan forgiveness. Happy to include all
25 of you in those conversations if you can push,

1 that would be wonderful, right.

2 So I absolutely get it. I do think we
3 have a prioritized capital program. If there's
4 more you want to put on hold, fine. You know,
5 just tell me what you want me to do. You're going
6 to ask me to put stuff on hold. I mean, we bid
7 out a \$32 million residual handling upgrade that
8 the board awarded in July for the treatment plant.
9 That facility's 50 years old. I can't wait on
10 that or we'll fail residuals and the treatment
11 plant will get knocked out. We have Levine
12 Reservoir storage, we still have New Street and
13 Great Notch to go, and that's why I told the EPA
14 that's going to be 30 years, 2054, because of all
15 this other stuff we have to do.

16 So I do believe I'm prioritizing the
17 plant. I believe I'm communicating that with
18 regulators. I believe I'm communicating that with
19 all of you. But I'm happy to keep prioritizing,
20 scale back, lower costs, do more with less,
21 absolutely. Happy to have those discussions with
22 all of you.

23 COMMISSIONER RIZZI: Jim, if I may? I
24 think we all appreciate the complexity and the
25 difficulty and the road ahead is going to be long

1 and there's a lot of things to consider, but I
2 just kind of want to change the subject to the
3 softer side for a minute to make sure that you got
4 a plan to kind of communicate with our customers,
5 with the people who helped us out, you know, the
6 local officials, whether it's thank you notes,
7 whether it's updates, just to make sure that that
8 doesn't get lost. Again, I know it's the softer
9 side and so forth, but I think it's an important
10 part of making sure that we keep our constituents
11 involved, that we keep our partners involved, and
12 that we just actually remember to say thank you
13 and keep them involved as we go forward.

14 And again, as part of the plan, you know,
15 I know you're intent on doing that as well, but I
16 can't be a former communications person and not
17 kind of just --

18 COMMISSIONER COTTON: How would you relate
19 it to them? How would you get out to the 800,000
20 customers?

21 COMMISSIONER RIZZI: Well, that's part of
22 the problem. I mean, I could sit down with Bryan,
23 whether it's bill inserts, bill messages. You
24 know, I know we don't have a very good -- I mean,
25 even formally, like the firefighters and the folks

1 who gave out water and handed out, and the
2 volunteers.

3 COMMISSIONER FRIEND: You're absolutely
4 right.

5 COMMISSIONER RIZZI: All of those people.
6 They were such an important part of helping.

7 COMMISSIONER FRIEND: The mayor and
8 municipal --

9 COMMISSIONER RIZZI: Yeah, something.

10 COMMISSIONER FRIEND: Thanking them for
11 their police department and fire department,
12 whatever.

13 COMMISSIONER RIZZI: Yeah, whatever.

14 COMMISSIONER FRIEND: Public relations.

15 COMMISSIONER RIZZI: Yes.

16 COMMISSIONER COTTON: If I may? On
17 Sunday, it happened on Friday, so on Sunday I
18 actually was with the crew from Passaic Valley
19 Water and we went to five senior sites. I
20 actually drove in front of them to make sure,
21 because they had the big trucks, they had the
22 pallets of water, they had the forklift. They
23 needed the forklift to get the pallets off the
24 truck, but I made sure and I said to them, follow
25 me because I'm going to take you on the street

1 that it's not hard for you to make a turn, because
2 the City can be congested with cars parking.

3 So, actually, Jim, we went to five senior
4 sites, dropped off two pallets of water at each
5 site to make sure. The only thing I made sure
6 that someone was at the building to take it
7 because I couldn't stay there and give out water
8 too.

9 So I got to say that, Jim, your guys were
10 really, really good. I mean, that was that
11 Sunday, it was really getting very hectic that
12 weekend.

13 MR. MUELLER: I agree. Everybody was
14 great. I thanked a lot of folks personally. I
15 went on the News ad nauseam.

16 And also, let me just say this, because it
17 really shook me, we had 54 staffs in the impacted
18 area. This impacted our people.

19 COMMISSIONER RIZZI: I believe it. I
20 understand it.

21 MR. MUELLER: And given everything I was
22 walking through, the details of the incident, and
23 we all know, but I had a chance like Thursday, so
24 it was almost a week in, and it was on the site
25 and one of our guys was like, hey, were you in the

1 impacted area, yeah. He said, how - and this was
2 in the pit, like on his truck and I was like in
3 the middle of rubble - I said, how bad was it.
4 They said it was bad. And this was, I don't know
5 why, this really struck me. He said he flew his
6 dad in the day before the incident started. Now,
7 his dad is sick, out of water, can't flush the
8 toilet, can't shower. So the sanitation piece of
9 this, that's one of the reasons why we did water
10 tankers, which were expensive, we wanted people to
11 be able to flush their toilets.

12 COMMISSIONER RIZZI: Absolutely.

13 MR. MUELLER: That was a key thing. He
14 said it started to smell, you know, whatever. And
15 I won't name names, I just walked away and said,
16 you know, this impacted us too as people, and
17 people have friends and family. I'm sure you all
18 do.

19 So there's a lot of components to it. But
20 just hearing those kind of stories, and I know
21 others were impacted. I would ask people at the
22 water distribution, how bad was it, you know.

23 So I totally understand customers'
24 frustration, number one. Totally understand that
25 we have to get capital out, even with the

1 complexities, right. We got to solve and move,
2 without a doubt, and we're doing that. It's just
3 taking a little bit longer. I wish we had it out
4 before this break.

5 I will say, we learned a lot. I didn't
6 realize, because a lot of us worked 24/7, a lot,
7 and I have to figure out a way to thank the
8 company, like all the people you just said,
9 because they worked non-stop for like 12 days in a
10 row.

11 COMMISSIONER RIZZI: Absolutely.

12 MR. MUELLER: But just, we went to fix one
13 of the joint leaks, the new pipe we put in, the
14 area we connected to, because Hinchcliffe it was
15 really hard. I couldn't just go where it was
16 optimum, I had to deal with topography and the
17 infrastructures that was there. So we had to deal
18 with what we had.

19 So we connected to these joints. It was
20 like a strainer. That 24-inch line, it's critical
21 to get back in. So we repaired it, just on the
22 overnight, we chose to do it on the overnight when
23 people were asleep, maybe they won't notice or try
24 to minimize the businesses, restaurants, that kind
25 of stuff. And we had like a four-hour window.

1 That's the way the system is. I had to drag it to
2 six or seven hours to let the concrete ferrule and
3 that was already an area that was Boil Water, so
4 we already had another advisory, so that's part of
5 the complexities we're trying to solve as some
6 major infrastructure. We had a four-hour window
7 and not impact somebody. We need to design
8 something, a bypass. But the bypass could be
9 costly, but it's worth it to our own people,
10 people that live in this area.

11 And we'll get to Passaic. We'll get to
12 Clifton. Some of these areas will be the same,
13 like we have to design a, we don't want to knock
14 out 50,000 people in Clifton or 10,000 people --
15 you remember the hydrant, Commissioner, that you
16 called me about in Passaic. It was a hydrant
17 emergency. We knocked out a good part of the
18 City. This was a year and a half ago, I don't
19 know if you remember, you called me from a event.
20 You said why are we out of water.

21 So that's just the system and it's not
22 just Paterson. Paterson has the most pipes, 220
23 miles; Clifton has 210. It's less dense, but
24 salt. Passaic only has 70. 49 miles and I can't
25 even isolate for a hydrant, I couldn't even

1 isolate that. So this is just the complaint.

2 That's why we need the design, because we
3 need to think that through. So we're moving on
4 it. I'm giving you that schedule. It was already
5 on my priority list along with everything else. I
6 mean, it's fair, right. We have a lot to do.
7 We're moving in circles, again, and it's for our
8 own staff, for our residents, and I totally
9 understand the frustration. I told them that
10 personally. Anybody I met, you know,
11 Commissioner, I dropped off some cases myself.

12 COMMISSIONER COTTON: Yes, I saw you did.

13 MR. MUELLER: Just to give some relief.
14 Meeting people on the corner, here's two cases.
15 But most of our staff did that, not me. I
16 certainly wasn't a superhero by any means. It was
17 all hands on deck to try to get relief, but that's
18 some of the complexities we're dealing with.

19 COMMISSIONER FRIEND: I don't think
20 anybody has any criticism for anything that
21 occurred. Everybody has praised, you know, what
22 was accomplished.

23 MR. MUELLER: Understood.

24 COMMISSIONER FRIEND: Our main concern is
25 how do we stop this from happening again, that's

1 the main.

2 MR. MUELLER: So the emergency -- like
3 Woodland Park, you know, President Sanchez asked
4 me where's the main area of concern. I know right
5 now, I was just on a call. They got a leak. It
6 looks minor at the street like compared to what we
7 dealt with, that's why we let it wait actually.
8 We got to do North 1st and Arch. But then we went
9 there, the pipe is bad.

10 So right now we're going to order another
11 hundred of 42 inch. We're going start planning
12 line stops. We're going to work out a shutdown
13 plan to try to minimize that area within the next
14 couple of weeks. It's just a hundred feet of
15 pipe.

16 COMMISSIONER VAN RENSALIER: Where do you
17 order these pipes from?

18 MR. MUELLER: Alabama.

19 COMMISSIONER VAN RENSALIER: Alabama the
20 state?

21 MR. MUELLER: The state. I don't remember
22 the supplier, but they're from Alabama. They came
23 through with 300 hundred foot of 24 and 300 foot
24 of 30.

25 Here's another part of the problem. I'm

1 not just trying to throw problems out. These are
2 details we got to work through. We have oddball
3 pipe, in spite of Veolia or New York, who have a
4 lot of big pipe. We were calling everybody and
5 they were saying, will you write a check. Yeah,
6 we'll write a check, don't worry about it, we're
7 good for it, if you have pipe. They're like what
8 size do you need. 30. We don't have 30. Okay.
9 A lot of people don't have a 30 inch. 51, which
10 is one our bigger pipes --

11 PRESIDENT SANCHEZ: Buy more and keep it
12 in storage.

13 MR. MUELLER: Commissioner, that's what
14 we're doing. I'm buying 42-inch right now. We
15 got to buy maybe a hundred feet of 51, that's
16 exactly what we're going to do and then you store
17 it.

18 PRESIDENT SANCHEZ: We have a bigger
19 issue. Like Jerry said, there's no question of
20 your performance, of how we performed, how you
21 guys did it and I want to commend Passaic Valley
22 Water for doing that.

23 The question is, how do we start
24 prioritize our budget and expenses that we have
25 because we have a big problem here with piping,

1 with old piping and this should be our focus, how
2 we move forward is important. You know what I'm
3 saying. We cannot be focusing on other things.
4 We need to get this resolved first and then move
5 onto other things. That's what I think.

6 COMMISSIONER VAN RENSALIER: What do we
7 do, what's our contingency if we don't, we can't
8 locate the pipe that we need, the piping that we
9 need, what re going to go to do?

10 MR. MUELLER: What we did here is kept
11 calling nationally and Alabama had it.

12 COMMISSIONER VAN RENSALIER: We're lucky
13 that Alabama came through.

14 MR. MUELLER: What we're going to do is
15 store pipe and we're going to store it at Point
16 View, store it at Little Falls. That's what we're
17 going to do.

18 COMMISSIONER COTTON: They drove it up
19 here the next day?

20 MR. MUELLER: They drove it -- it took --
21 the 30 inch was on site the next day. They drove
22 two tandem crews, drove through the night again.

23 COMMISSIONER COTTON: From Alabama?

24 MR. MUELLER: Yes. The 24 inch didn't get
25 there till Friday. So it depends on the size.

1 But we have oddball sizes of pipe, which doesn't
2 help. You know, a lot of people have 24, 36. I
3 don't know, it's just how the system was designed.

4 COMMISSIONER FRIEND: I just had a
5 thought. When developers came into Clifton and
6 they want to build something that, you know, is
7 going to put pressure on our sewer and our water
8 system and what have you, we make the developer
9 for the approval upgrade for some of those
10 systems. Okay.

11 When we get a request for 200 residents
12 and units through our line, do we do a study and
13 say, hey, you got to do this, put in a bigger line
14 or whatever?

15 MR. MUELLER: We do, when we know about
16 it. Sometimes we don't know about it. And it
17 happens, you know. But, yes, we do when we know
18 about it.

19 COMMISSIONER FRIEND: We should make the
20 developers responsible for that.

21 COMMISSIONER COTTON: You can't make the
22 developer responsible, it's got to be the city if
23 they're being approved through the city.

24 MR. MUELLER: Or the wholesaler, the
25 planning board. When we have wholesalers like

1 Little Falls, put a billboard right near our
2 51-inch main and we fought it, we pushed in and
3 said you can't do that, and they had to protect
4 it, but they approved that without our approval.

5 COMMISSIONER FRIEND: We should send a
6 letter perhaps to each of the towns, the planning
7 boards, the zoning boards, what have you, saying
8 the development of a certain amount of units or
9 square footage, whatever it might be, you know,
10 we, on behalf of Passaic Valley Water Commission,
11 make sure that our system's going to be able to
12 support it as part of your approval process.

13 MR. MUELLER: I couldn't agree more,
14 Commissioner. I talked to Yaacov about sending a
15 letter to all the wholesalers in the cities
16 saying, a little bit stronger, but along the same
17 theme.

18 COMMISSIONER FRIEND: I'm a nice guy.

19 MR. MUELLER: I'm a nice guy too, but this
20 is how important this is. Or else we're chasing
21 it back to the system. It happened in Garret
22 Heights, it happened in areas of Paterson. So
23 many citizens -- I had a "barber shop" talk last
24 night, and they were talking to me and they said,
25 it's the developer. That's what they're telling

1 me.

2 So, you know, that's, I would say we need
3 to be stronger because of the infrastructure,
4 because of the amount of people impacted when it
5 failed and the age. One section can take us down.
6 Out of 10,000 feet, you can be 400 feet of it that
7 could take us down.

8 I've been talking to Yaacov about it. I'd
9 like to revisit that saying you have to do this,
10 without our water or you put us a risk.

11 Go ahead, Commissioner.

12 COMMISSIONER COTTON: No, no, I'm saying,
13 when they asked you that question that time, what
14 did you say?

15 MR. MUELLER: I kind of listened. You
16 know, I don't make policies for Paterson. I
17 listen and I also don't know all the specific --
18 they knew the specific development.

19 COMMISSIONER COTTON: They probably were
20 talking about certain people, I would think they
21 were. But then you couldn't say you don't know
22 those developments on North 7th Street, they're
23 three miles apart. So how do this development
24 cause that, I don't know.

25 MR. MUELLER: The low pressure, more

1 development doesn't help that. But, again,
2 replacing the mains, it's all important.

3 But, Commissioner Friend, it's already on
4 our radar. Like I said, everything's on the
5 radar. We're moving on some of them.

6 COMMISSIONER VAN RENSALIER: There was
7 some speculation perhaps that the earthquake...

8 MR. MUELLER: That's a great point and I
9 was asked that repeatedly. My answer was, it
10 certainly didn't help, right. We had five, I went
11 and looked it up, how many earthquakes we had this
12 year. I think there were five in New Jersey.

13 COMMISSIONER RIZZI: Two in the last
14 couple of months.

15 MR. MUELLER: Hillsdale was, that's right
16 around -- that's five miles away. That's a pretty
17 good size. They're not huge. I think we had a
18 4.8 last year. It's starting to get pretty big.
19 It didn't help.

20 We're doing interconnections. We're doing
21 testing on old systems. So you place part of it
22 and it can break somewhere else. That doesn't
23 help. Fair point.

24 COMMISSIONER VAN RENSALIER: Could that
25 happen, could that be a cause of breakage?

1 MR. MUELLER: Absolutely.

2 COMMISSIONER FRIEND: In Clifton when you
3 apply for a certificate of compliance or, you
4 know, to either build a new building or even
5 change a use of a building, attached to our form
6 they have, in terms of filling out the discharge
7 to the sewer.

8 MR. MUELLER: Yeah.

9 COMMISSIONER FRIEND: Maybe we can check
10 with the towns in terms of --

11 MR. MUELLER: That will be great.

12 PRESIDENT SANCHEZ: They can inspect it
13 once a week, twice a week to go see part of that
14 implementation and then you pay a connection fee
15 based on the discharge.

16 MR. MUELLER: We'll look into it.

17 PRESIDENT SANCHEZ: They provide the CO
18 and permitting.

19 MR. MUELLER: I think I included in one of
20 my director reports about development and maybe
21 passing on fees, which is another, how many fees
22 you want to pass on. We have looked at it.
23 There's a lot we've got. It just reemphasizes. I
24 agree, I totally agree with that.

25 COMMISSIONER COTTON: Somebody build a

1 building, they don't tell you how to get a
2 connection.

3 MR. MUELLER: We get a lot of
4 applications, I will say, sometimes, and I can't
5 even explain it, it's before I got here, but
6 sometimes things didn't always work that way, you
7 know.

8 Like, the Little Falls billboards to me is
9 a great example. That was approved by the
10 planning board, we had no input.

11 We had another developer, North Jersey put
12 us into it. We didn't get it. Thank God North
13 Jersey said, hey, by the way, you should take a
14 look at this. We did.

15 We need a better process, like, how can a
16 planning board approve this if water's not there.
17 That's what doesn't make sense. I don't know if
18 there's a law or regulation that requires it.
19 That would be the change, right, can we change
20 that. If there's a law we can review it we can
21 control it and pass on fees appropriately and say,
22 this is the existing system, that's a 51-inch
23 pipe, 120 years old, 10,000 feet long, no, you
24 can't come near that. You got to stay at least
25 200 feet away. They were right on top of it and

1 we caught it, but they already approved it. We
2 went back in the field, we caught them in the
3 field. Somebody drove by them and said, hey, by
4 the way... Pat jumped on it, went out there, that
5 was because somebody drove by and happened to care
6 and said, hey. So that's recent.

7 But I agree with you, we need a better
8 process and I think not just for our cities, but
9 some of the wholesaler areas.

10 PRESIDENT SANCHEZ: Jim, I think we need,
11 when they do development, they're creating the
12 language and I think PES&G pay for permits and
13 they connect you. So I don't think, if I'm doing
14 a large development, it should be treated
15 differently. But small developments in Paterson
16 and Passaic, they're going to tap into our main
17 and all that. There's no way to prevent it.

18 MR. MUELLER: So that would be a fee. I
19 don't know how to slice the pie.

20 COMMISSIONER COTTON: The line is already
21 running down the middle of the road anyhow. How
22 do they cut into the water pipe to get water to
23 that --

24 MR. MUELLER: So the applications we
25 review and they schedule this. They send it out

1 to an inspector. We put in meters. We do that.

2 COMMISSIONER COTTON: Oh.

3 COMMISSIONER FRIEND: I'm not talking
4 about one or two-family homes.

5 COMMISSIONER COTTON: I'm talking about 40
6 or 50, that's what I'm talking about too.

7 COMMISSIONER FRIEND: But somebody who's
8 building 300 units or 250 or 20-story high rise or
9 whatever it is, the larger projects are really
10 going to have an affect on the water system.
11 Okay. I mean, we could start at 25 or 50 units.

12 PRESIDENT SANCHEZ: Jim, back in the day
13 even we got the mayor in Paterson back then, I
14 think it was Joey Torres. You know, he beg us to
15 do it. It was an affordable housing project. The
16 development made money and we had to replace the
17 pipe, not in the inside, I found that to be, how
18 do you get that to work. That's part of the
19 sidewalk.

20 MR. MUELLER: I think it was a half
21 million dollars. I think they did pay for it.
22 One of the developments, that was 2019, 2020. It
23 might be a different development.

24 PRESIDENT SANCHEZ: Maybe it was
25 different, but the one --

1 COMMISSIONER FRIEND: Based on your past
2 experience, do you have any experience in terms of
3 the charging fees to the developer for hooking
4 into the --

5 PRESIDENT SANCHEZ: Well, they pay a fee,
6 the developer pay a fee. They pay an application
7 fee.

8 COMMISSIONER FRIEND: They pay an
9 application fee, but they don't pay --

10 PRESIDENT SANCHEZ: No, and they pay the
11 fees. Whatever the fee it cost you, it costs you
12 a thousand dollars for them to hook up the
13 waterline and fire line. There's already a fee in
14 place, Jerry. Passaic Valley Water does the work
15 and they pay a fee to do it.

16 MR. AMODIO: I think you're talking about
17 main upgrades.

18 COMMISSIONER FRIEND: Yes.

19 PRESIDENT SANCHEZ: Anyway, I guess the
20 purpose of the meeting was to get updated.

21 MR. MUELLER: I just wanted to brief you.

22 PRESIDENT SANCHEZ: And, Commissioners, we
23 want certain priorities, we want to make sure that
24 and we're going to look for it. And I think this
25 concern, where we're going to end up, stuff like

1 that keep happening. Ultimately, the ratepayers
2 pay for it.

3 COMMISSIONER COTTON: The question they're
4 going to ask me is that, forget about development,
5 they're going to want to know how they're going to
6 get paid back. They want to know if they had to
7 go to wholesale, how they're going to get paid.
8 They want to know how they're going to get a
9 credit on their water bill. And I need to give
10 them answers, what should I tell them?

11 COMMISSIONER RIZZI: That's to my point
12 earlier that we need a communication plan on how
13 to answer those questions.

14 COMMISSIONER COTTON: Right, right.

15 COMMISSIONER RIZZI: I'd be happy to help
16 with that. I have a little background in that as
17 well.

18 PRESIDENT SANCHEZ: That's going to be
19 your next --

20 MR. MUELLER: You want to take that on, I
21 think that's wonderful.

22 COMMISSIONER RIZZI: We'll talk.

23 MR. MUELLER: We'll talk.

24 If you want to give a credit on the bill,
25 that's not my call. If you want to give a credit

1 on the bill.

2 PRESIDENT SANCHEZ: Listen, I'll tell you,
3 me, I'm against it, personally, because --

4 MR. MUELLER: I get it, I get it.

5 PRESIDENT SANCHEZ: I'm against that
6 because like I said, most of the people are
7 tenants and the landlords are the ones that pocket
8 the money.

9 COMMISSIONER COTTON: The issue is, and,
10 Jim, you saw me --

11 MR. MUELLER: You were all over.

12 COMMISSIONER COTTON: -- the issue to me
13 was people were getting water that was not
14 affected and when they were distributing the
15 water, looking at an address, I don't know if
16 North 1st is in the 1st Ward. I don't know if
17 North 5th is in the 5th Ward. They didn't know.
18 So they didn't know which area was affected, so
19 they just gave an area. So, now, how we going to
20 determine to give somebody something back if we
21 don't know he was affected. That's going to be
22 the hardest problem.

23 COMMISSIONER FRIEND: Also, on businesses,
24 the first thing they should do really is check
25 their insurance coverage if they have concerns.

1 Normally, there's a loss of income provision in
2 the business insurance policy.

3 COMMISSIONER COTTON: That's the same
4 thing with renters insurance. If you have renters
5 insurance you could be compensated for being
6 displaced.

7 MR. AMODIO: Mr. Mueller mentioned a
8 letter addressing some of those issues.

9 MR. MUELLER: And I emailed it. But he
10 did say, Senate Wimberly said he was going to
11 update the letter to also request the governor to
12 reimburse PVWC costs. Whether they will or not,
13 who knows.

14 COMMISSIONER COTTON: Everybody gets
15 infrastructure --

16 MR. MUELLER: One of the items is --

17 COMMISSIONER COTTON: Anybody get an
18 answer from the governor yet?

19 MR. MUELLER: He hasn't answered.

20 COMMISSIONER COTTON: Oh.

21 COMMISSIONER RIZZI: To your point, I
22 mean, maybe that's it. Maybe there's a standard Q
23 and A, what are we doing about reimbursement.

24 PRESIDENT SANCHEZ: Listen, the governor,
25 and Ruby can tell you this more than anybody,

1 she's been involved, he's on the way out. He
2 doesn't care about anything. He just, you know,
3 goofing around and doing nothing and waiting for
4 his time to be over and making friends with the
5 republican candidates. That's what he's doing.

6 So I'll tell you one thing, that's our
7 problem. I know you guys got paid. I pray to God
8 every day. But in reality, God's telling me,
9 listen, keep going, getting up early, my son, and
10 keep working, because that's all I'm going to give
11 you.

12 My point to you is, it's all bullshit,
13 Jim. Don't depend on those guys.

14 MR. MUELLER: I'm not.

15 PRESIDENT SANCHEZ: Because Wimberly has
16 good intentions, but behind the check, he don't
17 care anymore.

18 MR. MUELLER: President Sanchez, can I ask
19 for some direction? What should I say when I'm
20 asked repeatedly on the street or on email or on
21 socials, which I try to ignore, but when are we
22 going to get a credit on the bill, what do you
23 want me to say? I'm happy to work on any
24 communication plan you want.

25 PRESIDENT SANCHEZ: Tell them we haven't

1 made that decision yet.

2 I think we should talk.

3 MR. MUELLER: That's helpful though.

4 Right now I'm silent.

5 COMMISSIONER FRIEND: You're not the first
6 communicator --

7 COMMISSIONER DEPADUA: Can I ask a
8 question? Hello, hello. If you're talking about
9 giving people credit -- can you hear me? Can you
10 hear me? How do you know -- do you know exactly
11 who did not have water at all, because I am
12 grateful, okay, first of all, I'm grateful for
13 Passaic Valley Water, their staff, everyone that
14 was involved. I mean, this is an emergency, okay,
15 it was out of control, out of our hands, but they
16 addressed it as soon as, as quickest as possible.

17 I understand that a lot of people went
18 through a lot of hardship, but this is what
19 happens when an emergency and things like this
20 happen. There's other states that has gotten
21 worse. Okay. Now, not everybody in Paterson was
22 out of water, so when you give the credit, you
23 have to make sure it's those people that didn't
24 have water at all and like the President said,
25 they probably don't even pay the bill. It's the

1 tenant, the landlord, and they get pocket. Okay.
2 So this thing happened, and when it happened, I
3 think we did everything possible to help everybody
4 in the situation; supplying the water, supplying
5 those houses so they can come and take their
6 showers. I mean, I know it's not easy, it can't
7 be. But, you know, we have to take all this into
8 consideration. Like it's like, I feel I'm
9 listening to some of you like if we have control
10 of this, but it happened, it happened and we
11 addressed it and thank God we were able to address
12 it and take care of it.

13 PRESIDENT SANCHEZ: It will complicate you
14 forever if you start doing that. We didn't make
15 it happen. It's costing us a lot of money. If
16 you go that route, it will never end.

17 MR. MUELLER: I want direction. I don't
18 want that route.

19 PRESIDENT SANCHEZ: I got to go because I
20 had to change a doctor's appointment for this
21 meeting and he gave me a break.

22 COMMISSIONER FRIEND: Just one quick
23 followup. There are other communities that have
24 had similar situations, Hoboken, Jersey City. I
25 remember they were without water for days also. I

1 would have somebody call over there to their water
2 department.

3 PRESIDENT SANCHEZ: It happens in my
4 business, everything's ruined, call your insurance
5 company.

6 COMMISSIONER RIZZI: If I can add in that
7 that I do not recall in my life, my other life,
8 you know, compensating people for loss, not to say
9 that it's never happened, but...

10 COMMISSIONER FRIEND: You were a private
11 company, you're not a public company like we are.

12 MR. AMODIO: Commissioner Friend, for the
13 record, Hoboken break, they gave them a \$25 credit
14 and it was Veolia that did it.

15 COMMISSIONER FRIEND: What did they tell
16 the residents?

17 MR. AMODIO: I researched that when we had
18 the reservoir. They gave a credit.

19 PRESIDENT SANCHEZ: That's per meter per
20 resident. We have units, you know what I'm
21 saying, if you do that, the owner doesn't even
22 live in the property, the landlord doesn't live in
23 the property, so if you give them a credit, you're
24 basically giving it to the landlord who doesn't
25 care.

1 COMMISSIONER VAN RENSALIER: And the
2 minute the director tells residents that it's
3 under consideration to reimburse by the board,
4 we're on the hook. So we got to be careful about
5 how we approach to answer that question.

6 MR. MUELLER: I agree.

7 COMMISSIONER RIZZI: I think right now,
8 "it's under consideration. We're looking at Mr.
9 Wimberly, blah, blah", and we'll see what happens.

10 COMMISSIONER VAN RENSALIER: I wouldn't
11 say the board is under consideration.

12 PRESIDENT SANCHEZ: I'd say the county's
13 talking about it, we're working with the State to
14 see what can be done.

15 COMMISSIONER RIZZI: That's good for now.

16 The only comment I have before we wrap up,
17 Jim, and I know you're probably looking at this as
18 well. Again, it's not immediate. But, you know,
19 do we have an emergency response plan. I know
20 you're going to do a followup and are we going to
21 revisit our emergency response plan and all that
22 good stuff?

23 COMMISSIONER COTTON: I mean, I couldn't
24 see you doing any better than what you did. You
25 did an excellent job, it was excellent. And I

1 went down there. I went down there in that hole
2 and I saw that water gushing out, I went.

3 (Interruption by the Court Reporter)

4 MR. MUELLER: One of the things that we
5 need to invest in and it's competing investment,
6 right, I get it, we don't even have
7 hydraulic modeling system.

8 COMMISSIONER RIZZI: Right, that's crazy.

9 MR. MUELLER: I got Mark Romain, Steve
10 Sateary, Bobby Healy with 120 years of experience
11 on my shoulders, going we're going to try this,
12 try that. I got Pat going, plans are crap and we
13 don't have a model. So we did the best we could.
14 We need to modernize -- it's soft. It's going to
15 look like soft costs. Those are amazingly
16 important to come up with an emergency response.
17 I was asked maybe 50 times how many people are
18 impacted. I said tens of thousands, model, in my
19 neighborhood, with some data, like pressure gauge,
20 we were manually pressure gauged. So we did the
21 best we could. A little laborious. We got
22 through it.

23 But the developer you're talking about,
24 with those tools --

25 COMMISSIONER FRIEND: Come up with a plan.

1 MR. MUELLER: We are, we are. It's going
2 to look like soft costs.

3 COMMISSIONER FRIEND: I don't think the
4 board's ever been against investing in what's
5 necessary for the day-to-day operation.

6 MR. MUELLER: Commissioner, the minute I
7 said and, Commissioner Cotton, you were there,
8 that first press conference, I said my Board of
9 Commissioners approved an \$800 million capital
10 plan in 2023. That was Levine, the residuals,
11 lead service. That's a hundred million right
12 there, those three jobs. Never mind -- and the
13 water main replacements, we had to design them, so
14 you all, I'll tell you, you might not realize it,
15 people appreciated what you did. Even the press
16 said to me, hey, your board really came through.
17 You as a board, just that alone, you could say,
18 yeah, the director's got it to get it out the
19 door, but you approved it. The problem is, it's
20 not enough, all those locations we're talking
21 about.

22 COMMISSIONER FRIEND: Everything
23 changes --

24 COMMISSIONER COTTON: If I may, Friend,
25 Commissioner, when I go back to my council

1 meeting, they're going to say, Ruby, you're on the
2 board, tell me what you're doing and I tried to
3 explain to them --

4 PRESIDENT SANCHEZ: Sorry, I got to go.

5 COMMISSIONER COTTON: I'm going to say
6 that we'll be forthcoming --

7 MR. MUELLER: I'm happy to come to a
8 meeting. I know I'm going to regret that. I
9 know, I've seen and I heard. I'm happy to come to
10 your council --

11 COMMISSIONER DEPADUA: Be careful with
12 Jackson when you go.

13 MR. MUELLER: I'm happy to do it. I'm
14 happy to come to your town.

15 COMMISSIONER FRIEND: I was going to ask
16 you, did Gary ever call you about coming?

17 MR. MUELLER: No.

18 COMMISSIONER RIZZI: I know the President
19 is ready to leave. Before we leave, I'm thinking
20 maybe a very nice way to do it if there was a
21 letter from the board to the employees.

22 MR. MUELLER: That would be really good.

23 COMMISSIONER RIZZI: Saying thank you.

24 PRESIDENT SANCHEZ: When Jim have a
25 meeting, I couldn't open my phone.

1 MR. MUELLER: I invited President Sanchez
2 to a command meeting, can you thank everybody, but
3 he had technical difficulties, so I said,
4 President Sanchez is on the other line and he
5 thanked everybody.

6 COMMISSIONER RIZZI: Yeah, I agree, to
7 every employee, all hands on deck, thank you for
8 whatever you did.

9 MR. MUELLER: They appreciated you coming
10 to the site. They appreciated -- I can't tell you
11 how many people, they're like, Commissioner Cotton
12 is like in it, she's, you know, just that, being
13 part of the responding.

14 I'll try to draft something. Listen, if
15 you want to do it, have at it.

16 COMMISSIONER DEPADUA: Can I ask a
17 question?

18 COMMISSIONER COTTON: Go ahead, Carmen.

19 COMMISSIONER DEPADUA: How many staffs
20 were involved with this, because why don't we like
21 have a special luncheon for those people that were
22 involved instead of a thank you and do a
23 recognition.

24 COMMISSIONER COTTON: There's people
25 volunteering giving out the water, so there's a

1 lot of people.

2 COMMISSIONER DEPADUA: I'm talking about
3 the employees, the Passaic Valley Water.

4 COMMISSIONER COTTON: Right.

5 MR. MUELLER: What I might do for those
6 people --

7 COMMISSIONER COTTON: I had a young lady
8 up there --

9 PRESIDENT SANCHEZ: Just send a letter.
10 We have Passaic Valley Water Commission T-shirts.

11 MR. MUELLER: What I might do is give
12 maybe two or three vacation days, because they
13 spent -- maybe two to four, I don't know, how much
14 work they put in, the extra.

15 COMMISSIONER COTTON: You got to close the
16 meeting.

17 MR. AMODIO: 10:51 a.m.

18 Thank you, everyone.

19

20 (Meeting adjourned)

21

22

23

24

25

C E R T I F I C A T E

I, LYNANN DRAGONE, License No. XI01388, a
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