

**MINUTES OF THE WORK SESSION AND REGULAR SESSION OF THE
JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
HELD JANUARY 27, 2011**

PRESENT:

Commissioner William Macchi
Commissioner Lewis Matthias
First Alternate Commissioner Nicholas Economou

ABSENT:

Chairperson Eileen Gaughan (by telephone)
Vice-Chairperson Donald Brown
Commissioner William Chopek
Second Alternate Commissioner Joseph Cardwell

ALSO PRESENT:

Daniel F. Becht, Esq., Executive Director
Gerard Remsen, III, P.E., C.M.E., Senior Engineer
Richard Haytas, Acting Senior Engineer
Edward DeHope, Esq., Special Counsel
Kevin Carr, RPPO, Purchasing Agent

In compliance with the Sunshine Law Director Becht ordered and directed that a Public Notice of a Public Meeting of the Jersey City Municipal Utilities Authority be posted in the main lobby of the Jersey City Municipal Utilities Authority Administration Building and that a copy of the Notice be sent to The Jersey Journal, the Star Ledger and the City Clerk.

For the record Director Becht stated that the Secretary of the Board, Commissioner William Macchi, would be conducting tonight's meeting and that Chairperson Eileen Gaughan would be available over the telephone.

The meeting convened at 5:00pm with the Pledge of Allegiance.

Resolution 1/11/1 Authorizing Transfer of Funds for Sewer Operations

Motioned to approve by Commissioner Matthias.

Seconded by Commissioner Macchi.

There were no questions.

Unanimously approved by all remaining Commissioners present.

Resolution 1/11/2 Authorizing Payments of Audited Claims for Sewer Operations

Motioned to approve by Commissioner Matthias.
Seconded by Commissioner Macchi.
There were no questions.
Unanimously approved by all remaining Commissioners present.

Resolution 1/11/3 Authorizing Transfer of Funds and Payments of Audited Claims for Water Operations

Motioned to approve by Commissioner Matthias.
Seconded by Commissioner Macchi.
There were no questions.
Unanimously approved by all remaining Commissioners present.

Resolution 1/11/4 Authorizing Cash Disbursements

Motioned to approve by Commissioner Matthias.
Seconded by Commissioner Macchi.
There were no questions.
Unanimously approved by all remaining Commissioners present.

Resolution 1/11/5 Authorizing Payments from the Capital Improvement, Project, Construction and Note Funds

Motioned to approve by Commissioner Matthias.
Seconded by Commissioner Macchi.
There were no questions.
Unanimously approved by all remaining Commissioners present.

Resolution 1/11/6 Making Application to the Local Finance Board Pursuant to N.J.S.A. 40A:5A-6.

Director Becht explained that this Resolution concerns the repair of the Newport's Eighteenth Street water main that we've been reading about in the press. Director Becht added that the water main has failed us on numerous occasions and is causing numerous shutdowns relating to the Newport area. The JCMUA is looking to bond 3.5 million dollars to correct the situation and replace the line; therefore, is applying to the Local Finance Board for approval of the financing.

Commissioner Macchi asked if there was any money that Newport was going to kick in to offset some of the costs. Director Becht stated that the JCMUA went down that road before and attempted to have Newport pay some of the costs, but they feel that they pay

their taxes and should not pay anything. Director Becht added that they did offer to help us finance it, but at the 30% interest. The JCMUA felt it could do much better job on its own.

Motioned to approve by Commissioner Economou.

Seconded by Commissioner Matthias.

There were no further questions.

Unanimously approved by all remaining Commissioners present.

Resolution 1/11/7 Authorizing Postponement of Fees to New Jersey City University for the West Campus Development Project.

Director Becht explained that the Senior Management from the New Jersey City University came to the JCMUA and wanted us to assist them in delaying some of the payments of their fees until such time the economy picks up. Obviously, they are having their own financial difficulties. Director Becht further explained that the JCMUA has accommodated some of the developers in the past. Furthermore, the JCMUA considers itself partners with the NJCU by performing the Bay front development with them and at one point their campus will be connected to our campus. Director Becht added that from a legal point of view there wasn't really a downside, because the JCMUA is not putting itself in the position that we won't be able to collect these funds and it really is just a matter of time in the future that we will collect these fees.

Commissioner Macchi stated that he remembers when in the past the Jersey City Medical Center owed us over a million dollars. The Board of Commissioners took a similar action in delaying the collection of the fees and back then, he felt we needed a legal opinion. Commissioner Macchi asked if we had a legal opinion on this subject. Director Becht agreed and added that the Resolution itself was drafted by the Legal Counsel.

Motioned to approve by Commissioner Matthias.

Seconded by Commissioner Economou.

There were no further questions.

Unanimously approved by all remaining Commissioners present.

Resolution 1/11/8 Declaring a Sewer Emergency for Replacement of Logic Control System at the East Side Plant.

Director Becht informed the Board that Commissioner Matthias already has brought up some questions related to this particular Resolution and he would ask our Senior Engineer to briefly comment on it.

Mr. Remsen stated that the replacement of the deteriorating Logic Control System at the East Side Plant would be in the best interest of the Authority and would allow us to operate the station the way it's supposed to. Mr. Remsen added that the new logic

controller would allow for installation of digital signal equipment as opposed to the present analog signal equipment and we'd be able to remote control the station, control the pump speed and switch frequencies.

Commissioner Macchi recalled that the East Side Pump Station was a big issue with the Authority's previous Engineer, Mr. Joe Beckmeyer.

Motioned to approve by Commissioner Matthias.

Seconded by Commissioner Economou.

There were no further questions.

Unanimously approved by all remaining Commissioners present.

Resolution 1/11/9 Correcting Resolutions 12/10/6 and 12/10/14 – Qualifications of Legal Firms for Professional Legal Services Contracts and Authorizing Contract for Workers' Compensation Counsel and Special Counsel.

Director Becht explained that this particular Resolution was already approved at the last Commissioners' meeting in December and the correction only involves changing of the firm's name: they included an extra name and reduced its name by one name.

Motioned to approve by Commissioner Economou.

Seconded by Commissioner Matthias.

There were no further questions.

Unanimously approved by all remaining Commissioners present.

Reports

There were no reports.

Executive Session

Director Becht suggested that the public portion of the meeting be closed now and the Commissioners discuss legal matters and contracts in the executive session. Director Becht added that all the professionals were free to leave as they would not be called back into the public portion of the meeting, which would be adjourned as soon as the executive session is over.

Approval of last month's meeting

After going back into the public session of the meeting, Director Becht stated for the record that approval of last month's meeting was motioned to approve by Commissioner Matthias, seconded by Commissioner Economou and unanimously approved by all remaining Commissioners present.

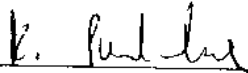
Adjournment

Motioned by Commissioner Matthias.

Seconded by Commissioner Macchi.

Unanimously approved by all remaining Commissioners present.

Respectfully submitted,



Krystyna Pawlowska
Payroll Officer/Asst. to the Exec. Dir.