

**MINUTES OF THE WORK SESSION AND REGULAR SESSION OF THE  
JERSEY CITY MUNICIPAL UTILITIES AUTHORITY  
HELD JULY 28, 2011**

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**PRESENT:**

Chairperson Eileen Gaughan  
Vice-Chairperson Donald Brown  
Commissioner William Macchi  
Commissioner Lewis Matthias  
Commissioner William Chopak  
First Alt. Commissioner Nicholas Economou

**ABSENT:**

None

**ALSO PRESENT:**

Daniel F. Becht, Esq., Executive Director  
Gerard T. Remsen, PE  
John Folk, Director of Finance  
Barbara Gordon, Director of Administration  
Kevin Carr, Purchasing Agent  
Elnardo J. Webster, Esq. - Trenk, DiPasquale, Webster et al.  
Joni Noble-McDonnell, Esq. – Trenk, DiPasquale, Webster et al.  
Edward DeHoge, Esq. – Riker, Danzig et al.  
Seamus Cunningham – Mayo, Lynch & Associates, Inc.  
Kevin O'Connor – United Water  
Matthew Donohue, CPA – Donohue, Gironda & Doria  
Drake Stinson, P.E. – Mayo, Lynch  
Krystyna Pawlowska, Asst. Exec. Dir./Payroll Officer

In compliance with the Sunshine Law Chairperson Gaughan ordered and directed that a Public Notice of a Special 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.

The meeting convened at 5:11pm with the Pledge of Allegiance.

**Approval of last month's minutes**

Motioned to approve by Chairperson Gaughan.  
Seconded by Commissioner Macchi.  
Unanimously approved by all remaining Commissioners present.

**Resolution 7/11/1** Authorizing Transfer of Funds for Sewer Operations

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

**Resolution 7/11/2** Authorizing Payments of Audited Claims for Sewer Operations

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

**Resolution 7/11/3** Authorizing Transfer of Funds and Payments of Audited Claims for Water Operations

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

**Resolution 7/11/4** Authorizing Cash Disbursements

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

**Resolution 7/11/5** Authorizing Payments from the Capital Improvement, Project, Construction and Note Funds

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

**Resolution 7/11/6** Certifying to the Local Finance Board Compliance Regarding the Annual Audit Report for the Fiscal Year Ended December 31, 2010 pursuant to N.J.S.A. 40A:5A-17

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

**Resolution 7/11/7** Authorizing Amendment to Professional Engineering Services Contract with Malcolm Pirnie to Assist the JCMUA with Investigating Telemetry Systems

There were no questions.

Motioned to approve by Commissioner Matthias.

Seconded by Commissioner Brown.

Unanimously approved by all remaining Commissioners present.

**Resolution 7/11/8** Authorizing Amendment #1 to Contract for Professional Engineering Services with Hatch Mott MacDonald for Design of Slipping System in the Newark Avenue 36" Water Main

There were no questions.

Motioned to approve by Commissioner Brown.

Seconded by Commissioner Matthias.

Unanimously approved by all remaining Commissioners present.

**Resolution 7/11/9** Authorizing Amendment No. 3 to Contract with PMK/Birdsall Services Group for Design of Replacement of Raw Sewerage Pump Motors, Variable Frequency Drives, Pump Controller, Analysis of Generator and Other Electrical Improvements at the East Side Pump Station

There were no questions.

Motioned to approve by Commissioner Matthias.

Seconded by Commissioner Brown.

Unanimously approved by all remaining Commissioners present.

**Resolution 7/11/10** Authorizing Adoption of Amended Rules and Regulations for Furnishing Water Service

There were no questions.

Motioned to approve by Commissioner Economou.

Seconded by Commissioner Matthias.

Unanimously approved by all remaining Commissioners present.

**Resolution 7/11/11** Authorizing the Award of a Contract for the Transport and Disposal of Grit and Screening

There were no questions.

Motioned to approve by Commissioner Brown.

Seconded by Commissioner Matthias.

Unanimously approved by all remaining Commissioners present.

**Resolution 7/11/12** Approving a Fully Insured Workers' Compensation Insurance Policy

There were no questions.

Motioned to approve by Commissioner Economou.

Seconded by Commissioner Brown.

Unanimously approved by all remaining Commissioners present.

**Resolution 7/11/13** Authorizing Amendment to Professional Engineering Services Contract with T&M Associates for Design of Aqueduct Transmission Main

There were no questions.

Motioned to approve by Commissioner Matthias.

Seconded by Commissioner Brown.

Unanimously approved by all remaining Commissioners present.

**Reports**

Chairperson Gaughan asked if anybody had any questions and/or comments.

Director Becht stated that the only thing he would like to mention was the story in the newspapers regarding our Consent Decree with EPA. Director Becht explained that they printed a very small article and much bigger was on the Jersey City Independent's website. Director Becht added that he spent quite a bit of time talking to the Mayor's Office and to Chairperson Gaughan about the potential fallout from the story. Director Becht stated that one article said: "Jersey City MUA forced to do [xyz]" and another article said: "Jersey City complies with EPA and is investing..." Director Becht commented that it is amazing how you can get two news organizations that had two totally different spins on the article. Director Becht stated that at the end of the day the JCMUA was all prepared to address any and all concerns. Director Becht said that the JCMUA explained to the Mayor's Office that as much as the articles said we were forced to spend the 52 million dollars, it wasn't really forced but it was an investment in the system and part of our 10-year Capital Plan. The fine was 375,000 dollars and the JCMUA thought it was cheaper to settle than to litigate. Director Becht added that the JCMUA worked "hand and glove" with the EPA for the last two years to negotiate this particular settlement and it was a "win-win" all around. Director Becht stated that it was the end of it and that he expected a much bigger hit in the press, but it went away quietly.

Commissioner Brown commented that he read a couple of articles on the subject and they further indicated that this was EPA's ongoing program and that they were doing this across the nation.

Director Becht added that in reality we were really lucky because we were first in and able to negotiate, even though, as he recalled that the first time, more than two years ago, when the JCMUA sat with the EPA over in New York, Mr. Webster complained that we were being "bamboozled" [Mr. Webster added: and "hoodwinked"]. Director Becht explained that we were able to change the tenor of that initial meeting to where after twenty four months we were able to negotiate a much reduced fine.

Mr. Webster commented that we really did a good job. Mr. Webster added that we were the testers for the EPA. Mr. Webster stated that we met with the Mayor and the Governor's people who helped get the DEP commissioner on our side to get some of the "hard to swallow" conditions out of the agreement. Mr. Webster added that we've been getting phone calls from all over the country asking how we did it.

Director Becht commented that between the JCMUA's staff and Mr. Webster's staff it was a 2-year concerted effort and in the end of the day it was a learning process that pointed out some deficiencies that we needed to correct. Director Becht stressed that the JCMUA did not knowingly violate the Clean Water Act, but was able to work with

the EPA and all of a sudden it has a lot of new best friends, including Passaic Valley, New York City and number of other municipalities who want to know how we were able to establish a relationship with the EPA and work out such agreement. Director Becht added that we were able to withdraw certain terms and conditions from the Consent Order. For example, it was an open-ended agreement that could go on in perpetuity. Director Becht explained that we were one of the few that were able to remove that condition from the Consent Order. Director Becht pointed out that we had designated projects in place already, so it sounds like we got hit over the head with the 52 million dollar clean-up, but in reality it had nothing to do with that and it worked out well. Director Becht added that in the next couple of years we will be hearing about the EPA going after everybody else. Director Becht stressed it worked out well for us, we got the best deal and did not get hammered in the press.

There were no other reports.

### **Adjournment**

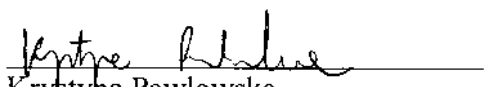
Meeting adjourned at 5:22pm.

Motioned by Chairperson Gaughan.

Seconded by Commissioner Matthias.

Unanimously approved by all remaining Commissioners.

Respectfully submitted,

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