

**MINUTES OF THE REGULAR SESSION OF THE
JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
HELD MAY 23, 2013**

PRESENT: Chairwoman, Eileen Gaughan
Commissioner, Commissioner William Macchi
Commissioner, Lewis W. Matthias
First Alternate Commissioner, Nicholas Economou

ABSENT: Commissioner, Donald Brown
Commissioner, Debbie Harris
Second Alternate Commissioner, Dominick Pandolfo

ALSO PRESENT: Daniel Becht, Esquire, Executive Director
John Folk, CPA, Director of Finance
Judy Rybka, Recording Secretary
Barbara Gordon, Director of Administration
Richard Haytas, P.E., Senior Engineer/Infrastructure Maintenance
Supervisor
Joni N. McDonnell, Esquire, Genova, Burns, Giantomasi
Seamus Cunningham, PE, Mayo, Lynch & Associates
Drake C. Stinson, PE, LEED, AP, Mayo, Lynch & Associates
Matthew Donohue, CPA, Donohue, Gironda and Doria
John Hroncich, United Water
Althea Bernheim, 33 Henry St., Jersey City, NJ
Angel Jain, 294 Fourth St., Jersey City, NJ
Ankit Jain, 294 Fourth St., Jersey City, NJ
Ashok Jain, 294 Fourth St., Jersey City, NJ
Sarita Jain, 294 Fourth St., Jersey City, NJ

In compliance with the Sunshine Laws, Chairwoman Gaughan 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.

Chairwoman Gaughan convened the meeting at 5:02 p.m. and opened with the Pledge of Allegiance.

Resolution 5/13/1 authorizing transfer of funds for sewer operations

Commissioner Macchi asked about “water lending to sewer and putting it back at the end of the year.”

Mr. Donohue explained water does lend to sewer and it is paid back. “This is called inter-funding. We’ve been doing it for a long time. There was a reduction last year but it would be ideal to eliminate it.”

Motioned to approve by Commissioner Matthias
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 5/13/2 authorizing payments of audited claims for sewer operations

Motioned to approve by Commissioner Matthias
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 5/13/3 authorizing transfer of funds and payments of audited claims for water operations

Motioned to approve by Commissioner Matthias
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 5/13/4 authorizing cash disbursements

Motioned to approve by Commissioner Matthias
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 5/13/5 authorizing payments from the capital improvement, project, construction and note funds

Motioned to approve by Commissioner Matthias
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 5/13/6 awarding renewal contract to Hudson Machinery, LLC for repair services and parts for sewer cleaning machines for one (1) year under the terms and conditions of N.J.S.A. 40:A 11-15

Ms. McDonnell advised there is a typo in the third “Whereas” paragraph. The correct date is May 1, 2012 (not 2013). This is for a one year extension of the original contract with a CPI increase. “The Resolution for execution has been corrected.”

Motioned to approve by Chairwoman Gaughan
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 5/13/7 authorizing execution of agreements with Commissioner of Transportation, acting for and in the name of the State of New Jersey, for work to be done on Route 1&9T/New Road, St. Paul's Avenue to Secaucus Road, Jersey City, NJ
Motioned to approve by Commissioner Matthias
Seconded by Commissioner Economou
Abstention by Chairwoman Gaughan
Unanimously approved by all remaining Commissioners present.

Resolution 5/13/8 authorizing MMREF expenditure for repointing of masonry joints in down stream face of Boonton Dam Section IV
Motioned to approve by Commissioner Economou
Seconded by Commissioner Matthias
Unanimously approved by all remaining Commissioners present.

Resolution 5/13/9 accepting bid for providing vehicle collision repairs, contract number VCR-2013-23

Commissioner Macchi asked, "Is this a local vendor (Diamond Auto Body)?"

Chairwoman Gaughan replied, "Yes." (Diamond Auto Body is located at 311-313 Grant Avenue, Jersey City, NJ.)

Motioned to approve by Commissioner Matthias
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 5/13/10 authorizing adoption of 2013 sewer budget

Mr. Folk advised the "Now, Therefore" paragraph (5th paragraph) has a typo. The open public meeting referred to was held on May 23, 2013 (not June 28, 2013).

Ms. McDonnell noted that all other dates referenced in Resolution 5/13/10 are correct.

Motioned to approve by Chairwoman Gaughan
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 5/13/11 authorizing adoption of the 2013 water budget

Chairwoman Gaughan asked, "Has the paperwork been signed?"

Mr. Folk he was signing off on the budget and further advised that he has been working with FEMA and will have a report available shortly.

Motioned to approve by Chairwoman Gaughan
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Entered Closed Session at 5:11 p.m.

Motioned by Chairwoman Gaughan
Seconded by Commissioner Matthias
Unanimously approved by all remaining Commissioners present.

Closed Session Ended/Regular Session Reopened at 5:37 p.m.

Motioned by Chairwoman Gaughan
Seconded by Commissioner Matthias
Unanimously approved by all remaining Commissioners present.

Closed Session Report - Per Ms. McDonnell, contract negotiations were discussed during Closed Session.

Following the Closed Session Report, Mr. Becht invited members of the public to address the Board.

Ms. Angel Jain introduced herself and members of her family. She explained they live at 294 Fourth Street, Jersey City for the past five years or so. Approximately one year ago, they began experiencing sewer issues. (At this time, Ms. Jain distributed a package of "exhibits" which the Jains feel exemplify the problems.)

Mr. Becht advised the Board that he and Mr. Haytas have been dealing with this matter for approximately a year or so. "We have always worked with the homeowner(s) and will continue to. The problem has been fixed." Mr. Becht explained that this matter may be subject to litigation and as such, suggested a brief presentation by the Jains followed by a statement from Mr. Haytas. "The Board can then go into executive session because of possible litigation." Mr. Becht continued to explain that Mayor Healy, Councilman Fulop and staff of the MUA have been involved. "The recommendation of the JCMUA is that it must be discussed with the Board to see how the matter can be rectified."

Mr. Jain explained that piping from his property was somehow disconnected from the main line on Coles Street and the "sewer is leaking. The sewer line is not connected to the main." He then requested a future meeting.

Chairwoman Gaughan advised Mr. Jain it is the responsibility of the homeowner(s) to maintain their pipes.

Mr. Jain explained they "never received notice of any violation." He added, "no one else is connected to it." He advised that a plumber was engaged to make repairs. "We had no

opportunity to figure out a solution; no option to do the work. The issue needs more attention.” He requested a separate meeting with the JCMUA Board of Commissioners and referred to the package distributed by Ms. Jain which “provides evidence.”

Mr. Haytas advised that in 2008 there was a “similar situation with the sewer in the alley. A dye test was performed and the problem resolved.” The previous homeowner subsequently sold the house. “In December 2012, the Authority received a call concerning the sewer coming from the alley. If it is only this line, it’s the homeowner’s responsibility.” He noted that there are “many issues like this in the City.” Mr. Haytas explained that emails were generated and there was more involvement by the City. It was then determined there was a health issue and the homeowner(s) should be notified of a violation. Two other dye tests were performed. The homeowners expressed additional concerns because of the upcoming warm weather. Repairs were completed by a plumber.

Ms. Jain explained they purchased the property in 2011 and they did not notice any problem until December 2012. “I’m not sure why the main line on Coles Street would have been disconnected from our line.”

Mr. Haytas recalled that going back 20 years or so the entire sewer on Coles Street was PVC. It would have been replaced only if a capital improvement project was undertaken or an emergency declared. “We have not done that and we did not cause the disconnect.”

Chairwoman Gaughan suggested documentation such as work orders would exist if the MUA had done this work. “Give us time to look into it and review the exhibit package to see how we can help.”

Commissioner Macchi asked if the Authority had access to any records that would help determine how the disconnect may have happened. He suggested this might be an insurance matter.

Ms. Jain advised that records from 2008 indicate issues with the connection to house and the main on Coles Street. “Something happened to disconnect between 2008 and 2012.”

Mr. Jain said the line connects to 298 Fourth Street which connects to the Coles Street main. “Pipe was not connected to the main line. We need your help. We do not want to pay the bill and that is why we are here.”

Ms. McDonnell advised the Authority will review the matter and “try to come up with a resolution.”

Commissioner Macchi suggested, “Can we take the lead on this?”

Mr. Becht explained the Authority has had the lead since 2008. “Let the Board discuss it with the legal team and Administration. If the Board decides to maintain its position, it may be subject to litigation.”

Mr. Haytas discussed the problem with the lack of records and documentation. "We don't know what's kept in alley way so who knows what went on."

Mr. Jain suggested there must ^{be} some record of a disconnected line.

Chairwoman Gaughan requested time to review the matter and exhibits distributed "then we'll see what we can do. Please come back to next month's meeting."

Commissioner Macchi asked the amount of the repair bill?

Mr. Haytas replied, "\$42,000 (approximately)."

Mr. Jain said, "We want to have an option as to how that money was spent."

Mr. Becht explained the homeowners were asked to provide access so repairs could be done but access was not provided and repeated requests were ignored. "They were given the opportunity to make repairs on their own. The MUA wants to be as cooperative as possible. We've been dealing with this on a daily basis and we want to resolve it but we should not discuss it any further (at this time)."

Chairwoman Gaughan advised the Jains the Authority will review the matter and discuss it with the legal team and Executive Director in order to make the best decision possible. "Please come back to the next meeting."

Mr. and Mrs. Jain thanked the Board. "We appreciate your time." They left the meeting at 5:57 p.m.

At the request of the property owner at 374 Cator Avenue, Ms. Bernheim discussed a fire hydrant issue with Mr. Haytas, and Mr. Haytas United advised United Water will perform a test/inspection.

Entered Second Closed Session at 6:00 p.m.

Motioned by Chairwoman Gaughan

Seconded by Commissioner Matthias

Unanimously approved by all remaining Commissioners present.

Closed Session Ended/Regular Session Reopened at 6:08 p.m.

Motioned by Chairwoman Gaughan

Seconded by Commissioner Matthias

Unanimously approved by all remaining Commissioners present.

Closed Session Report – Per Ms. McDonnell, pending litigation was discussed during Closed Session.

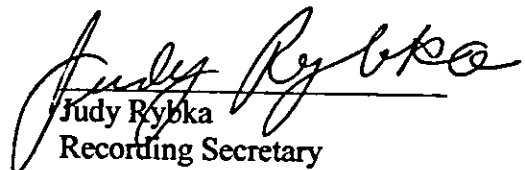
Approval of Minutes

Approval of minutes of the April 25, 2013 Commissioners meeting
Motioned to approve by Chairwoman Gaughan
Seconded by Commissioner Matthias
Unanimously approved by all remaining Commissioners present.

Adjournment

The meeting adjourned at 6:09 p.m.
Motioned by Chairwoman Gaughan
Seconded by Commissioner Matthias
Unanimously approved by all remaining Commissioners present.

Respectfully submitted,


Judy Rybka
Recording Secretary