

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
MINUTES OF THE BOARD OF COMMISSIONERS MEETING
OCTOBER 30, 2014**

CALL TO ORDER - 5:02 PM

In compliance with the Sunshine Laws, Chairman Balmir 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.

ROLL CALL OF MEMBERS PRESENT:

Chairman, Gerard M. Balmir, Jr.
Commissioner William A. Macchi
Commissioner, Lewis W. Matthias
Commissioner, Marie Tauro
Commissioner, John H. Thieroff
Second Alternate Commissioner, Thomas M. Gibbons

MEMBERS ABSENT:

First Alternate Commissioner, Nicholaos I. Economou

ALSO PRESENT:

Daniel Becht, Esquire, Executive Director
Judy Rybka, Recording Secretary
Frank J. Borin, Esquire, DeCotiis, FitzPatrick & Cole, LLP
Richard Haytas, P.E., Senior Engineer/Infrastructure Maintenance Supervisor
Barbara Gordon, Director of Administration
Kevin Carr, Purchasing Agent
John Folk, CPA, Director of Finance
Rajiv Prakash, JCMUA Engineering Department
David J. Samuel, P.E., P.P., C.M.E., CME Associates
Jerome A. Harris, P.E., P.P., CME Associates
Michael McClelland, P.E., P.P., C.M.E., CME Associates
John Hroncich, P.E., United Water
Dean Marchetto, Dean Marchetto Associates
Terrence McDonald, The Jersey Journal

FLAG SALUTE

PUBLIC COMMENT – No public comment

APPROVAL OF MINUTES

Approval of minutes of the September 25, 2014 Commissioners meeting

Motioned to approve by Commissioner Matthias

Seconded by Commissioner Thieroff

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Aye
Chairman Balmir	Aye

RESOLUTIONS - CONSENT AGENDA

Resolution 10/14/1 authorizing transfer of funds for sewer operations

Resolution 10/14/2 authorizing payments of audited claims for sewer operations

Resolution 10/14/3 authorizing transfer of funds and payments of audited claims for water operations

Resolution 10/4/4 authorizing cash disbursements

Resolution 10/4/5 authorizing payments from the capital improvement, project and note funds

Resolution 10/14/6 certifying to the Local Finance Board compliance regarding the annual audit report for the fiscal year ended December 31, 2013

Resolution 10/14/7 authorizing change order number 6 for the rehabilitation of Split Rock Reservoir Dam; JCMUA contract number SRD-2013-14-W

Resolution 10/14/9 amending Resolution 12/13/13 awarding contract for auditing services for water and sewer operations

Resolution 10/14/11 authorizing MMREF expenditure for replacement of roofs of various buildings at the water treatment plant in Parsippany-Troy Hills

Resolution 10/14/12 approving change order number 2 for Sixth and Tenth Street sewer rehabilitation and closing out contact; JCMUA contract number STSRP-2012-21; NJEIT project number S340928-10

Resolution 10/14/13 authorizing a change order for the contract for provision of

emergency and non-emergency rental of discharge pumps, generators, submersible pumps and associated equipment; JCMUA contract number RTMSP-2013-44

Resolution 10/14/15 authorizing amendment to professional engineering services contract with Hatch Mott MacDonald, Inc. for bridge design, bid and construction phase services for Newark Avenue 36 inch water main project

Resolution 10/14/17 qualifying engineering firms for the performance of a phase I feasibility study for the Coastal Defense and Storm Water Mitigation System project

Resolution 10/14/18 authorizing the adoption of revisions to the change order section of the Purchasing Policies and Procedures Manual

Resolution 10/14/21 authorizing purchase of one (1) 20,000 lb. capacity 2 post heavy duty lift through the New Jersey State Cooperative Purchasing Program

Resolution 10/14/22 authorizing change orders 1 and 2 for MMREF expenditure for repairs to Troy Street Pump Station – Pump No. 1

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Matthias

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Aye
Chairman Balmir	Aye

RESOLUTIONS – DEFERRED

Resolution 10/14/8 authorizing revision of Schedule C of the 2005 amended and restated water services franchise and service agreement with the City of Jersey City

Commissioner Thieroff noted that payments change each year, increasing through the end of the contract (2027). Since the change is significant (\$32 million over the remainder of the contract term), Commissioner Thieroff suggested a discussion on the matter before any action is taken.

Mr. Becht advised this was discussed at the Operations Committee and Procurement/Contracting Committee meetings. Many things have changed since the original contract was negotiated in 2005. The MUA is selling more water, the collection rate has increased and the system is more efficient. He reported a rate study is scheduled for next year to review the water rate and connection fees. The MUA could be in a position to reduce rates to payers as early as 2016 without any impact on operations, maintenance or spending for upgrades.

Commissioner Thieroff suggested a rate cut might take place now as rate payers have

over paid on water bills for a long time and “they should have first call on the money.” He suggested the franchise fee adjustment should go “hand and hand with the rate study.”

Mr. Folk explained that operations have improved and expenses have been lower which led to additional revenue. By giving funds to the City, the Authority is essentially giving to the people/rate payers. Some surplus is being used for capital projects which results in less borrowing for these items.

Commissioner Thieroff asked the amount of the Authority’s debt service.

Per Mr. Folk, debt service is \$20 million for water and \$25 million sewer.

Chairman Balmir asked if there are any other options for “relief to residents?”

Mr. Becht explained that a rate study will be performed and based on projections rates will be adjusted to 2.0 or 2.5 in 2015.

Commissioner Thieroff noted that would represent a reduction in the increase, rather than a rate cut. He asked if Resolution 10/14/8 is time sensitive.

Mr. Borin explained it is time sensitive for the City to take action by end of year and is likely needed before the November Board meeting.

Commissioner Thieroff asked, “How is the franchise fee paid?”

Per Mr. Folk, the fee is paid monthly.

Motioned to approve by Commissioner Tauro

Seconded by Commissioner Macchi

Roll call vote: Commissioner Thieroff	Nay
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Nay
Chairman Balmir	Aye

Resolution 10/14/10 authorizing change order number one for contract for Trenton Avenue sewer separation project; JCMUA contract number TS-2013-46

Commissioner Thieroff noted the increase is a “big jump.”

Mr. Haytas explained it was difficult to get responses. “We went many times and left door hangers.” Consulting Engineers estimated a cost for each house of \$4,000 to \$6,000 for sewer separation. However, the cost per house is \$12,000 to \$16,000 total. “It’s a lot of work and police presence is needed.”

Commissioner Thieroff asked how it was decided that police were needed on dead end street and what portion of the change order amount is for police.

Mr. Haytas explained permit requirements are set forth when the Authority files for a permit. The police portion of the change order is \$55,000.

Commissioner Macchi recalled the many attempts to negotiate with police for lower costs adding, "the precinct has control," and Commissioner Gibbons recalled this issue was raised many times over the last year.

Mr. Becht advised a resolution is being drafted for City Council asking for a rate reduction to the MUA so the Authority can be charged the same rate as the City and not the rate charged to an outside contractor.

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Matthias

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Aye
Chairman Balmir	Abstention

Resolution 10/14/14 authorizing MMREF expenditure for emergency replacement of 6 inch water main on Second Street between Monmouth Street and Brunswick Street

Commissioner Macchi discussed a presentation on the total dollars needed to repair water mains and asked how the MUA can be sure "\$12 million does not already include this."

Mr. Samuel, CME Engineering, explained this will happen with "hard design of drawings." A physical inspection will result in a determination.

Mr. Prakash added the break of a 30 inch water main "had to be repaired right away" explaining it feeds into the Newport area and needed to be back in service.

Motioned to approve by Commissioner Matthias

Seconded by Commissioner Thieroff

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Aye
Chairman Balmir	Aye

Resolution 10/14/16 authorizing MMREF expenditure for emergency repair of 30 inch water main in 18th Street between Marin Boulevard and Washington Boulevard

Commissioner Thieroff referred to the costs by category section of Resolution 10/14/16,

noting a 10 percent fee for overhead and profit. "Is this standard?"

Mr. Hroncich, United Water, explained "Cramer is charging 10 percent overhead and profit on police costs"

Commissioner Gibbons advised, "This is fairly standard."

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Matthias

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Aye
Chairman Balmir	Abstention

Resolution 10/14/19 authorizing the award of a contract for professional engineering services to Hatch Mott MacDonald for the performance of hydraulic model update and general modeling requests

Motioned to approve by Commissioner Matthias

Seconded by Commissioner Thieroff

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Aye
Chairman Balmir	Aye

Resolution 10/14/20 authorizing the award of contract for professional engineering services to Hatch Mott MacDonald for updating water system maps using a geographic information system

Motioned to approve by Commissioner Matthias

Seconded by Commissioner Thieroff

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Aye
Chairman Balmir	Aye

Resolution 10/14/23 authorizing the award of contract for professional engineering services to CME Associates for water main renewal project

Commissioner Thieroff advised the Operations Committee recently met and there was a "very good" presentation on the main replacement project in the downtown area. A repeat presentation was to be scheduled on the November agenda.

Mr. Borin advised contract issues can be discussed in Executive Session or Commissioners can ask CME questions about the project during this meeting.

EXECUTIVE SESSION

Entered Executive Session at 5:43 p.m. to discuss ongoing contract matters with general consulting engineers

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Macchi

Roll call vote: Commissioner Thieroff	Aye
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Aye
Chairman Balmir	Aye

Following the Executive Session (ended at 5:59 p.m.), Mr. Borin requested a motion and second on Resolution 10/14/23.

Motioned to approve by Commissioner Tauro

Seconded by Chairman Balmir

Roll call vote: Commissioner Thieroff	Nay
Commissioner Macchi	Aye
Commissioner Tauro	Aye
Commissioner Matthias	Nay
Chairman Balmir	Aye

COMMUNICATIONS – No

EXECUTIVE DIRECTOR’S REPORT – Mr. Becht advised there will be a special presentation tonight concerning the proposed coastal defense project and introduced Mr. Dean Marchetto of Dean Marchetto Associates.

SPECIAL PRESENTATION – Mr. Marchetto explained that he is an architect and planner and has been involved with projects in Jersey City and Hoboken.

He presented on the proposed seawall in the Hudson River and explained the area behind the wall would be filled in creating valuable real estate. It is anticipated that severe storms will continue to worsen and Jersey City will become even more vulnerable. The proposed project will link Jersey City, Hoboken, and the Palisades to create a “seal” around Hoboken and Jersey City. Several qualified responses to an RFP for a pre-feasibility study have been received. Items such as cost, time, permitting and financing will be addressed in the pre-feasibility study. Similar projects are happening world wide as sea levels continue to rise and storms worsen. The project will protect the area well into the future and pay for itself due to the creation of valuable, buildable land.

Approximately 100 acres of new buildable land will be created when the area behind the wall is filled in. The value of the land will pay for the cost of the wall.

Commissioner Thieroff asked the time frame and cost estimate for such a project.

Mr. Marchetto explained the project could take from 5 to 15 years with an estimated cost of \$2 billion for infrastructure.

Commissioner Gibbons noted that additional land could help solve some of the CSO issues.

Mr. Marchetto added that part of the impact will be to help manage storm water behind the wall and rain run-off into basins.

(Presentation/information packages were distributed to Board members during the presentation.)

COMMITTEE REPORTS

Green Infrastructure Committee – Per Commissioner Gibbons, the Committee met with the Chair of Sustainable Jersey City and the MUA’s grant writer. “Brainstorming” is underway with the Board of Education on grants involving green infrastructure projects.

Procurement and Contracting Committee – Commissioner Gibbons advised that Resolution 10/14/18 deals with revisions to the change order policy and sets “metrics” for performance and tighter control. The change order negotiation process will be more transparent.

COUNSEL REPORT – No further report

UNFINISHED BUSINESS – No unfinished business

NEW BUSINESS – Commissioner Tauro discussed the proposed location for JCMUA’s fleet.

Mr. Becht explained the Authority was to use the front lawn for parking. However, following discussions with Jersey City’s Redevelopment Agency and Department of Public Works, it was determined that property is available for the next 3 to 5 years and Honeywell will permit the MUA use it. “This is the best immediate plan.”

Mr. Haytas added that Honeywell plans to take down buildings at the Jersey City Incinerator Authority but no JC MUA buildings are planned for removal during the next 3 to 5 years.

ADJOURMENT

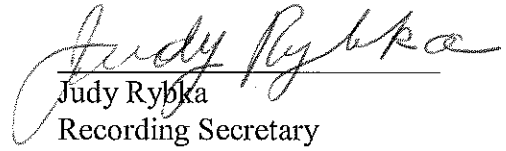
The meeting adjourned at 6:28 p.m.

Motioned to approve by Commissioner Matthias

Seconded by Commissioner Thieroff

Unanimously approved by all Commissioners present.

Respectfully submitted,


Judy Rybka
Recording Secretary