

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
MINUTES OF THE BOARD OF COMMISSIONERS MEETING
JULY 24, 2014
(Transcribed from attached CD)**

CALL TO ORDER - 5:00 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:

Commissioner, William A. Macchi
Commissioner, Marie Tauro
Commissioner, John H. Thieroff
First Alternate Commissioner, Nicholas I. Economou
Second Alternate Commissioner, Thomas M. Gibbons

MEMBERS ABSENT:

Chairman, Gerard M. Balmir, Jr.
Commissioner, Lewis W. Matthias

ALSO PRESENT:

Daniel Becht, Esquire, Executive Director
John Folk, CPA, Director of Finance
Frank J. Borin, Esquire, DeCotiis, FitzPatrick & Cole, LLP
Richard Haytas, P.E., Senior Engineer/Infrastructure Maintenance Supervisor
Kevin Carr, Purchasing Agent
Barbara Gordon, Director of Administration
Jerome A. Harris, P.E., P.P., CME Associates
Michael McClelland, P.E., P.P., C.M.E., CME Associates
Richard Russo, Hatch Mott MacDonald
Earl Scheinder, Hatch Mott MacDonald
John Hroncich, P.E., United Water
Paul Kelly, Remington, Vernick and Arango Engineers, Inc.
John Pine, Remington, Vernick and Arango Engineers, Inc.
Frank Falcicchio, 205 Custer Avenue, Jersey City, NJ
Terrence McDonald, The Jersey Journal

FLAG SALUTE

PUBLIC COMMENT – Mr. Falcicchio, 205 Custer Avenue introduced himself and explained the sewer situation on his street. Sewers were installed by developers many years ago over a period of time. The MUA was contacted regarding a problem with sink holes during the winter. A camera crew was sent out and repairs were made to a broken pipe. Mr. Falcicchio is requesting the MUA consider his request for new sewer lines on his street.

Mr. Haytas explained the MUA performed dye tests some years ago and it was determined the street is settling. The MUA will review/consider Mr. Falcicchio’s request.

APPROVAL OF MINUTES

Approval of minutes of the June 26, 2014 Commissioners meeting

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Economou

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|-----------------|-----------------------|-----|
| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |
| | Commissioner Thieroff | Aye |
| | Commissioner Macchi | Aye |
| | Commissioner Tauro | Aye |

RESOLUTIONS

Resolution 7/14/1 authorizing transfer of funds for sewer operations

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Economou

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|-----------------|-----------------------|-----|
| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |
| | Commissioner Thieroff | Aye |
| | Commissioner Macchi | Aye |
| | Commissioner Tauro | Aye |

Resolution 7/14/2 authorizing payments of audited claims for sewer operations

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Economou

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|-----------------|-----------------------|-----|
| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |
| | Commissioner Thieroff | Aye |
| | Commissioner Macchi | Aye |
| | Commissioner Tauro | Aye |

Resolution 7/14/3 authorizing transfer of funds and payments of audited claims for water operations

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Economou

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|-----------------|-----------------------|-----|
| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |
| | Commissioner Thieroff | Aye |
| | Commissioner Macchi | Aye |
| | Commissioner Tauro | Aye |

Resolution 7/14/4 authorizing cash disbursements

Commissioner Thieroff asked what constitutes an emergency and if the Authority has a contract with Guarini Plumbing.

Mr. Haytas explained an emergency is declared when there is a threat to public health safety such as a collapsed sewer and water main. Several areas in the city were experiencing problems and United Water was dispatched. In one particular situation it was determined the sewer was near collapse. The decision was made to “replace water and sewer at the same time” and the lowest bid was submitted by Guarini Plumbing. There was also an emergency situation, complicated by the Pulaski Skyway closing, involving a PVC pipe sleeved into another pipe and this work was performed during the night. Another emergency situation existed in the area of Brunswick and Coles Streets.

Mr. Becht further explained that the Authority relies on Mr. Haytas, as the sewer side licensed operator, and United Water as the water side licensed operator, to advise when an emergency exists.

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Gibbons

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|-----------------|-----------------------|-----|
| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |
| | Commissioner Thieroff | Aye |
| | Commissioner Macchi | Aye |
| | Commissioner Tauro | Aye |

Resolution 7/14/5 authorizing payments from the capital improvement, project and note funds

Motioned to approve by Commissioner Gibbons

Seconded by Commissioner Thieroff

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| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |

Commissioner Thieroff Aye
Commissioner Macchi Aye
Commissioner Tauro Aye

Resolution 7/14/6 rejecting and re-advertising bids for provision of PVC gravity sewer pipe and associated fittings, JCMUA contract number PVC-2014-17

Motioned to approve by Commissioner Thieroff
Seconded by Commissioner Economou

Roll call vote: Commissioner Gibbons Aye
 Commissioner Economou Aye
 Commissioner Thieroff Aye
 Commissioner Macchi Aye
 Commissioner Tauro Aye

Resolution 7/14/7 amending professional engineering services contract with French & Parrello Associates, P.A. for design and construction administration for repairs of bascule gates, gate houses and suspension bridge at Boonton Dam

Commissioner Thieroff questioned the extension of the contract and noted it dates back to 2008.

Mr. Carr explained additional problems were found concerning the bascule gates and the additional work was added to the contract.

Mr. Becht further explained there were additional costs for staging and divers. "This does not happen often but does happen occasionally and it made sense to continue with the same contract. If the Board feels more comfortable, Resolution 7/14/7 can be tabled until the next Commissioners meeting."

Motioned to table Resolution 7/14/7 by Commissioner Thieroff
Seconded by Commissioner Economou

Roll call vote: Commissioner Gibbons Aye
 Commissioner Economou Aye
 Commissioner Thieroff Aye
 Commissioner Macchi Aye
 Commissioner Tauro Aye

Resolution 7/14/8 approving a fully insured workers' compensation insurance policy

Commissioner Thieroff noted the workers' compensation claims are approximately 40 percent above the industry average. He suggested the Board set up a subcommittee to develop policies/procedures.

Mr. Becht explained the rating affects employees only, not contractors. The MUA is aware of what is taking place and is trying to correct it. JCMUA insurance brokers have provided safety training classes, and the Authority makes every effort to assure employees are fit before being cleared for permanent employment. Protocols are in place to help minimize occurrences and re-occurrences.

There was a general discussion concerning industry safety standards, workplace cultures and suggestions for minimizing claims.

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Gibbons

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| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |
| | Commissioner Thieroff | Aye |
| | Commissioner Macchi | Aye |
| | Commissioner Tauro | Aye |

Resolution 7/14/9 amending agreement with Continental Machinery Co., Inc. for evaluation of equipment damaged by Superstorm Sandy

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Economou

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|-----------------|-----------------------|-----|
| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |
| | Commissioner Thieroff | Aye |
| | Commissioner Macchi | Aye |
| | Commissioner Tauro | Aye |

Resolution 7/14/10 authorizing change order number one for aqueduct rehabilitation, Phase III, JCMUA project number AQR-2013-50

Commissioners discussed the transportation and accommodations costs involved in the change order. The project was scheduled to begin on February 10, 2014 but work was delayed. Because the work is specialized, workers were transported from other areas of the country and accommodated in hotels but they were unable to begin the work. Several members of the Board took the position the Authority should not be responsible for transportation and hotel costs. It was recommended local workers be used whenever possible to avoid these additional expenses.

Mr. Becht discussed the water bank involving six New Jersey systems and the diminished amount of available water in New Jersey. He explained this project could not be started unless Jersey City was certain it could supply 100 percent of the water needed by the City. PVSC was to supply Jersey City with water during the shutdown but their water was contaminated with saline. As a result, the shutdown and repairs were delayed. Mr. Becht noted that including costs for transportation/accommodations, the lowest bid still

worked out to be the least costly. Mr. Becht suggested that in the future the Authority's specifications clearly state the MUA will not be responsible for travel and accommodations.

Mr. Hroncich explained water bank members were unable to get water to Jersey City. As a result, the City's system could not be shut down and work could not be performed. The project was delayed until March when water was available from Passaic Valley and Newark.

Commissioner Macchi asked that the difficulty in finding local workers because the work is so specialized be verified before any determination is made.

Commissioner Gibbons motioned for the establishment of an Employee Health and Safety Subcommittee and he motion was seconded.

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| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |
| | Commissioner Thieroff | Aye |
| | Commissioner Macchi | Aye |
| | Commissioner Tauro | Aye |

Motioned to table Resolution 7/14/10 by Commissioner Thieroff

Seconded by Commissioner Gibbons

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|-----------------|-----------------------|-----|
| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |
| | Commissioner Thieroff | Aye |
| | Commissioner Macchi | Aye |
| | Commissioner Tauro | Aye |

Resolution 7/14/11 authorizing change orders 3 and 4 for rehabilitation of Split Rock Reservoir Dam, JCMUA contract number SRD-2013-14-W

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Economou

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| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |
| | Commissioner Thieroff | Aye |
| | Commissioner Macchi | Aye |
| | Commissioner Tauro | Aye |

Resolution 7/14/12 authorizing one year extension of contract with Hudson Machinery, LLC for repair services and parts for sewer cleaning machines

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Economou

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|-----------------|-----------------------|-----|
| Roll call vote: | Commissioner Gibbons | Aye |
| | Commissioner Economou | Aye |

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| Commissioner Thieroff | Aye |
| Commissioner Macchi | Aye |
| Commissioner Tauro | Aye |

COMMUNICATIONS – None

EXECUTIVE DIRECTOR'S REPORT

Press Conference - Mr. Becht reported on a very successful press conference highlighting the rain barrel program. Mayor Fulop spoke “glowingly” of the JCMUA and Commissioner Gallagher for spearheading the effort. (A sample rain barrel was available for examination.)

Pot Hole Repairs – Per Mr. Becht, the Authority will be assuming the City’s pot hole repairs in addition to snow removal. The MUA will hire approximately four to six new employees and certain equipment will be purchased. Operations will officially begin on Monday (July 28, 2014), and repairs are expected to be made 24 to 48 hours after the pot hole is reported.

Commissioner Thieroff asked about the potential impact on the Authority’s budget.

Mr. Becht advised the outlay for new equipment will be minimal and the Department of Public Works is giving some of its equipment to the MUA.

Commissioners discussed possible issues and costs that might arise and the Authority’s responsibility in terms of operations shifted over from the City.

Mr. Borin advised this will require review and he discussed shared service agreements.

Board members discussed/suggested this matter might require a resolution.

Commissioner Macchi discussed at length his concerns and expressed his opinion that the Authority’s staffing level, even with new hires, would find it difficult to repair the many pot holes throughout the City.

Mr. Becht noted Commissioner Macchi’s concerns and advised he would bring the Board’s concerns/questions to the Mayor.

PRESENTATION (Earl Scheinder, Hatch, Mott, MacDonald) – Mr. Scheinder presented on the Boonton gravity supply pipe, analyzing the cost and benefits of the project.

COMMITTEE REPORTS – No reports

COUNSEL REPORT – No report

UNFINISHED BUSINESS – None

NEW BUSINESS – Addressed earlier in meeting

EXECUTIVE SESSION – No

ADJOURNMENT

The meeting adjourned at approximately 6:30 p.m.
Motioned by Commissioner Thieroff
Seconded by Commissioner Gibbons
Unanimously approved by all Commissioners present.

Respectfully submitted,



Judy Rybka
Recording Secretary