

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
MINUTES OF THE BOARD OF COMMISSIONERS MEETING
APRIL 24, 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, Marie Tauro
Commissioner, John Thieroff
First Alternate Commissioner, Nicholas Economou
Second Alternate Commissioner, Thomas M. Gibbons

ABSENT

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
Judy Rybka, Recording Secretary
Richard Haytas, P.E., Senior Engineer/Infrastructure Maintenance Supervisor
Kevin Carr, Purchasing Agent
John Hroncich, P.E., United Water
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
John Hroncich, P.E., United Water

FLAG SALUTE

PUBLIC COMMENT – No public comment

APPROVAL OF MINUTES

Approval of minutes of the March 27, 2014 Commissioners meeting

Motioned to approve by Commissioner Thieroff
Seconded by Commissioner Macchi

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

RESOLUTIONS

Resolution 4/14/1 authorizing transfer of funds for sewer operations

Motioned to approve by Commissioner Tauro
Seconded by Commissioner Macchi

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

Resolution 4/14/2 authorizing payments of audited claims for sewer operations

Motioned to approve by Commissioner Thieroff
Seconded by Commissioner Macchi

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

Resolution 4/14/3 authorizing transfer of funds and payments of audited claims for water operations

Motioned to approve by Commissioner Economou
Seconded by Commissioner Tauro

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

Commissioner Tauro Aye
Chairman Balmir Aye

Resolution 4/14/4 authorizing cash disbursements

Motioned to approve by Commissioner Thieroff
Seconded by Commissioner Economou Aye
Roll call vote: Commissioner Economou Aye
Commissioner Thieroff Aye
Commissioner Macchi Aye
Commissioner Tauro Aye
Chairman Balmir Aye

Resolution 4/14/5 authorizing payments from the capital improvement, project and note funds

Motioned to approve by Commissioner Thieroff
Seconded by Commissioner Economou Aye
Roll call vote: Commissioner Economou Aye
Commissioner Thieroff Aye
Commissioner Macchi Aye
Commissioner Tauro Aye
Chairman Balmir Aye

Resolution 4/14/6 awarding contract for professional engineering services to Arcades U.S., Inc. for Phase VIII of the combined sewer capacity and condition assessment

Commissioner Gibbons noted the sixth and seventh “Where As” paragraphs may contain a typo (2,300 manholes). He also noted the memo from Mr. Haytas states in part “it is impractical to solicit quotations.” Commissioner Gibbons suggested the memo should include the fact that Arcadis represents added value and it makes sound business sense to continue the project with them. “This is a recommendation for the future.”

Mr. Becht will speak with the Senior Engineer to make certain the number of manholes is correct. If the figure is incorrect, Resolution 4/14/6 will be amended.

Commissioner Gibbons then discussed hourly rates shown on Exhibit A and noted this will represent a sizable profit. He suggested the MUA solicit bids in a cost plus format in order to determine actual cost, overhead and profit. The cost plus format allows for better control through the audit process. He asked why the Authority does not use this format.

Mr. Becht explained he would need to answer this question with Mr. Haytas present but noted the MUA has been doing this with advice of General Counsel. “We can revisit this contract but they did first seven (7) stages of the contract.”

Mr. Borin advised the Authority will look into cost plus bidding and see how it's working with other agencies.

Mr. Becht recommended a meeting of the Procurement and Contracts Committee be scheduled.

Motioned to approve by Commissioner Economou

Seconded by Commissioner Thieroff

Roll call vote: Commissioner Economou Aye

Commissioner Thieroff Aye

Commissioner Macchi Aye

Commissioner Tauro Aye

Chairman Balmir Aye

Resolution 4/14/7 awarding contract for rental, cleaning and maintenance of employee uniforms, JCMUA contract EUS-2014-14

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Macchi

Roll call vote: Commissioner Economou Aye

Commissioner Thieroff Aye

Commissioner Macchi Aye

Commissioner Tauro Aye

Chairman Balmir Aye

Resolution 4/14/8 awarding contract for replacement of grit and screenings conveyer systems at East Side Wastewater Pumping Station, JCMUA contract ESGC-2013-37

Motioned to approve by Commissioner Thieroff

Seconded by Commissioner Economou

Roll call vote: Commissioner Economou Aye

Commissioner Thieroff Aye

Commissioner Macchi Aye

Commissioner Tauro Aye

Chairman Balmir Aye

Resolution 4/14/9 authorizing the declaration of an emergency condition on Phillips Street between Thomas McGovern Drive and Communipaw Avenue and awarding contract for re-routing of sewer main

Commissioner Thieroff noted that although this was an emergency, bids were solicited.

Mr. Carr explained there was a strict time frame and a response was required within 24 hours.

Motioned to approve by Commissioner Economou
Seconded by Commissioner Thieroff

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

Resolution 4/14/10 awarding contract extension for the provision of repair service and parts for television/video sewer inspection equipment, contract TVS-2013-09, for one year pursuant to and in accordance with the terms and conditions of N.J.S.A. 40A:11-15

Motioned to approve by Commissioner Economou
Seconded by Commissioner Thieroff

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

Resolution 4/14/11 authorizing Arcadis U.S., Inc to separate the existing Duncan Avenue outfall contract documents into two (2) new sets of contract specifications and drawings to create contracts A (sewer) and B (water)

Mr. Borin explained Resolution 4/14/11 will be deferred for clarification of the project description and proposal.

Motioned to defer Resolution 4/14/11 by Commissioner Thieroff
Seconded Commissioner Macchi

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

Resolution 4/14/12 authorizing MMREF expenditure of Gantry and Hoist Inspections, housing equipment improvements and new davit crane installations

Motioned to approve by Commissioner Tauro
Seconded by Commissioner Thieroff

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

Resolution 4/14/13 authorizing award of contract to Ecosystem Consulting Service, Inc. to provide reservoir management services as a non-fair and open contract pursuant to N.J.S.A. 19:44A-20.4 et seq

Motioned to approve by Commissioner Thieroff
Seconded by Commissioner Economou

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

Resolution 4/14/14 authorizing MMREF expenditure for rehabilitation of the Troy Street water chlorination system

Motioned to approve by Commissioner Macchi
Seconded by Commissioner Tauro

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

Resolution 4/14/15 amending the JCMUA by laws

Mr. Borin distributed the amended by laws and advised changes were reviewed by the Operations Committee prior to the Board meeting. Corresponding changes have also been made to the Personnel Manual. Revisions deal with conflict of interest, ethics issues, pay to play, anti discrimination, anti harassment, retaliation, recusal and Board member and personnel disclosures. Revisions make it clear the JCMUA is governed by the Jersey City code of ethics and appoint Mr. Kevin Carr Ethics Liaison Officer.

Commissioner Gibbons discussed the “extremely rigorous standard” being set forth in the conflict of interest which raises the standard to the “appearance” of conflict of interest.

There was a general discussion regarding the new conflict of interest standard and need to avoid any potential issues that might arise from the “appearance” of conflict of interest.

Motioned to approve by Commissioner Thieroff
Seconded by Commissioner Tauro

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

Resolution 4/14/16 amending the JCMUA Personnel Policies and Procedures Manual

Mr. Borin reiterated corresponding by law revisions have been included in the Personnel Manual.

Commissioner Tauro recalled the JCMUA had a Personnel Committee in the past. “I’d like a Personnel Committee and I’d like to be on it.”

Motioned to approve by Commissioner Tauro
Seconded by Commissioner Thieroff
Roll call vote: Commissioner Economou Aye
Commissioner Thieroff Aye
Commissioner Macchi Aye
Commissioner Tauro Aye
Chairman Balmir Aye

Resolution 4/14/17 concerning review of the findings of the Local Finance Board made at the meeting of said Board on January 15, 2014 in accordance with the provisions of N.J.S.A. 40A:5A-7

Mr. Folk distributed copies of the findings to Commissioners.

Mr. Borin explained Board members will be asked to sign a group affidavit certifying they have reviewed findings.

Per Mr. Folk, the signed affidavit will not be submitted until Wednesday, April 30, allowing Commissioners time to review the findings. He explained the findings are positive, and the MUA can move forward with New Jersey Environmental Infrastructure Trust projects/work.

Motioned to approve by Commissioner Thieroff
Seconded by Commissioner Macchi
Roll call vote: Commissioner Economou Aye
Commissioner Thieroff Aye
Commissioner Macchi Aye
Commissioner Tauro Aye
Chairman Balmir Aye

Resolution 4/14/18 authorizing change orders number 22 through 26 for Boonton Gravity Supply Project, JCMUA contract BGSP-2012-33-W; New Jersey Environmental Infrastructure Trust project number 0906001-008

Commissioner Thieroff expressed concern over the number of change orders and dollar amounts. He added that he is more comfortable now that the project is near completion but if this needs to be revisited, he would like a presentation from Engineering.

Mr. Carr explained that per New Jersey law up to 20 percent of the contract amount can be approved by Resolution if justifiable. Over 20 percent requires certification and a project description.

Motioned to approve by Commissioner Economou
Seconded by Commissioner Macchi
Roll call vote: Commissioner Economou Aye
Commissioner Thieroff Aye
Commissioner Macchi Aye
Commissioner Tauro Aye
Chairman Balmir Aye

Resolution 4/14/19 authorizing an amendment to the contract for General Counsel services with DeCotiis, Fitzpatrick and Cole, LLP

Commissioner Tauro asked, “Do we still take North Bergen waste?”

Mr. Becht recalled that in July 2008 he accepted a contract on behalf of the Board of Commissioners for \$8 million plus in annual service fees based on other municipalities paying a similar rate.

Motioned to approve by Commissioner Thieroff
Seconded by Commissioner Economou
Roll call vote: Commissioner Economou Aye
Commissioner Thieroff Aye
Commissioner Macchi Aye
Commissioner Tauro Aye
Chairman Balmir Aye

Resolution 4/14/20 authorizing the award of a contract for professional services to Marchetto Higgins Stieve Architects, P.C. and the procurement of a qualified engineering firm for the performance of a storm resiliency feasibility study

Mr. Borin advised the contract was put before the Green Infrastructure Committee for consideration.

Commissioner Gibbons reported the contract was reviewed and there was a presentation by Mr. Marchetto. He found the proposal “impressive” and cited three benefits: storm surge protection, environmental protection and economic benefit.

Commissioner Thieroff explained he found the project “transformational” but asked why it is necessary for this firm to act as an “employment agency” for the MUA to do this type of work.

Commissioner Gibbons explained the firm provides added value as it “owns” the concept and it makes sense for them to bring it to the next level.

Chairman Balmir further explained there is a cap on how much they can bill and the proposal is for time and material. A good deal of work, much of it pro bono, was put into the project, which would add 110 acres of waterfront/additional developable space.

Per Mr. Becht, the MUA will be the lead agency. “New York is doing the same thing on their side of the river.”

Motioned to approve by Commissioner Economou
Seconded by Commissioner Tauro

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

Resolution 4/14/21 authorizing a shared services agreement between the Jersey City Municipal Utilities Authority and Hudson County Improvement Authority

Mr. Borin explained a new golf course will affect MUA water and sewer lines which will be replaced. A 50 percent partnership was negotiated with the HCLIA and it will pay 50 percent of the replacement cost.

Mr. Carr added the water side cost is approximately \$626,000, and HCLIA will pay 50% of engineering costs.

Per Mr. Becht, the MUA is comfortable with it and it’s time to move forward.

Motioned to approve by Commissioner Tauro
Seconded by Commissioner Thieroff

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

Resolution 4/14/22 awarding contract for Duncan Avenue outfall replacement and water main relocation project, JCMUA contract DAS-2013-11A

Motioned to approve by Commissioner Thieroff
Seconded by Commissioner Economou

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

COMMUNICATIONS – None

EXECUTIVE DIRECTOR'S REPORT – Mr. Becht reported a meeting was held with Commissioners to discuss items concerning this evening's Board meeting.

Earth Day is Saturday, April 26 at Liberty State Park. The JCMUA will have a presence at the event.

The audit has begun and should be complete in 45 to 60 days.

The process for Superstorm Sandy funds from the Federal government started again due to changes in government personnel. Mr. Folk advised the Authority submitted approximately \$6 to \$8 million in claims and has received \$.5 million +/- thus far despite the paperwork being initiated within two weeks of the storm.

Mr. Becht attended the Re-Use Jersey City meeting, an initiative to encourage recycling of plastic bags. The Re-Use Jersey City logo will appear on the JCMUA's stationary. Five cents will be donated to a charity each time a consumer declines a plastic bag with a purchase.

GENERAL DISCUSSION – Chairman Balmir revisited the topic of change orders and discussed a tracking system.

Mr. Carr advised contracts are tracked with each change order and reminded the Board that per New Jersey law, contracts must be awarded to the lowest responsible bidder.

Mr. Borin recommended also addressing this from a contract standpoint with language.

Commissioner Gibbons suggested a quarterly tracking report.

COMMITTEE REPORTS

Green Infrastructure Committee – Commissioner Gibbons attended a recent meeting of the Jersey City Environmental Committee and provided a presentation with information supplied by MUA Engineering. The City committee suggested a quarterly report from the MUA would be helpful/informative.

Mr. Becht explained the Authority prepares a quarterly report for the EPA, and suggested a synopsis of this report be drafted for the Jersey City Environmental Committee.

Commissioner Gibbons discussed providing rain barrels to the community for watering gardens, and Mr. Becht advised 200 plus rain barrels have been ordered (\$64 per barrel).

Operations Committee – Commissioner Thieroff reported the Committee met to discuss items on this evening's agenda.

COUNSEL REPORT – Mr. Borin recalled a few months ago the MUA reviewed it's contract with United Water following several water main breaks and concerns about performance. A report was prepared which identified areas of focus. The report was shared with United Water earlier in April. Members of the MUA and United Water met to discuss focus items and development of an action plan. Within the next several weeks the action plan will be shared with United Water then brought before Administration.

UNFINISHED BUSINESS – Commissioner Gibbons recalled a discussion at last months meeting regarding submitting a letter to the Mayor's office expressing the Authority's concerns over the high cost of police presence during MUA projects.

Mr. Borin explained the Authority will find a way to engage the City in a discussion rather than sending a letter.

Commissioner Tauro asked if there has been a decision regarding new hours.

Mr. Becht reported the MUA is on a modified work schedule: 9.5 hours a day, 4 days a week. There is no additional cost to the MUA and the new hours provide the public improved access to the Authority. The MUA is now open 6 a.m. through 6 p.m., five days a week. Key personnel is available 24/7.

NEW BUSINESS – Commissioner Gibbons discussed Commissioners and/or staff attending yearly conferences. The New Jersey Water Environmental Association conference is scheduled some time in May.


Mr. Becht suggested himself, Mr. Haytas and/or Mr. Golden might attend. Commissioners are also invited and were asked to advise Ms. Barbara Gordon if they'd like to attend the conference in May.

EXECUTIVE SESSION - None

ADJOURNMENT

The meeting adjourned at 6:40 p.m.
Motioned by Commissioner Thieroff
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Respectfully submitted,


Judy Rybka
Recording Secretary