

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
MINUTES OF THE BOARD OF COMMISSIONERS MEETING
OCTOBER 28, 2015**

CALL TO ORDER – 5:00 PM

In compliance with the Sunshine Laws, Chairwoman Tauro 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:

Chairwoman, Marie Tauro
Commissioner, William Macchi
Commissioner, Lewis W. Matthias
Commissioner, Marcos Vigil
Second Alternate Commissioner, Thomas M. Gibbons

MEMBERS ABSENT:

First Alternate Commissioner, Nicholas Economou

ALSO PRESENT:

Daniel Becht, Executive Director
Judy Rybka, Recording Secretary
Frank J. Borin, Esquire, DeCotiis, FitzPatrick & Cole, LLP
Richard Haytas, PE, Senior Engineer/Infrastructure Maintenance Supervisor
John Folk, CPA, Director of Finance
Rajiv Prakash, Engineering Department
Elmer Andal, Finance Department
Kevin Carr, Purchasing Agent
William Katchin, CPA
John Hroncich, United Water
Jerome A. Harris, PE, PP, CME Associates
Michael McClelland, PE, PP, CME Associates
Steven D. Wielkotz, CPA, RMA, Ferraioli, Wielkotz, Cerullo & Cuva, PA

FLAG SALUTE

Following the Pledge of Allegiance, Commissioner Macchi requested that in the future agenda items include an executive summary/synopsis, and Commissioner Vigil requested meeting packages be distributed to Commissioners five (5) business days in advance of the meeting.

Mr. Becht suggested a summary could be done in the form of a subtitle to the resolution. He advised that the agenda is not approved until review by legal counsel and often there are "last minute" walk on resolutions but every effort will be made to have meeting packages distributed five (5) business days before the meeting.

Commissioner Gibbons requested that when "special documents" (such as the audit report) are part of the agenda, an executive summary in "laymen terms" be included.

Mr. Wielkotz agreed a one page explanation could be included and distributed with the report.

PUBLIC COMMENT – No public comment

APPROVAL OF MINUTES

Approval of minutes of the August 26, 2015 Commissioners meeting

Motioned to approve by Commissioner Matthias

Seconded by Commissioner Vigil

Roll call vote: Commissioner Gibbons	Aye
Commissioner Vigil	Abstention
Commissioner Macchi	Abstention
Commissioner Matthias	Aye
Chairwoman Tauro	Aye

Approval of minutes of the September 23, 2015 Commissioners meeting

Motioned to approve by Commissioner Vigil

Seconded by Commissioner Matthias

Roll call vote: Commissioner Gibbons	Abstention
Commissioner Vigil	Aye
Commissioner Macchi	Abstention
Commissioner Matthias	Aye
Chairwoman Tauro	Aye

Following approval of August and September 2015 minutes, Mr. Borin requested a motion to go out of order on the agenda and move Committee Reports to item 6 and the Executive Director Report to item 7.

Motioned to approve by Commissioner Gibbons

Seconded by Commissioner Vigil

Roll call vote: Commissioner Gibbons	Aye
Commissioner Vigil	Aye

Commissioner Macchi	Aye
Commissioner Matthias	Aye
Chairwoman Tauro	Aye

COMMITTEE REPORTS

Finance Committee - Commissioner Matthias reported the Finance Committee met with the Executive Director and Finance Department last week regarding the audit report for year ending December 31, 2014. "The good news is 2014 was a good year. Assets are up and we should be able to pay outstanding debt on the water and sewer sides." The rate review is presently underway and a reduction in the proposed 2016 rate increase to consumers should be possible.

Mr. Folk added that in the past water and sewer were separated at the end of the year, "but we cannot do that now. Water and sewer users are basically the same."

Commissioner Vigil discussed accounting policies and the portion of the audit report concerning pension funds, tax abatements, pronouncements and disclosures.

Mr. Wielkotz advised the disclosure is because a handful of government pronouncements are in draft form and not in effect yet. One deals with pension plans in New Jersey. The disclosure is provided so the reader knows pronouncements are pending and may/may not impact financial statements. The disclosure is the same concerning all government entities in the country.

Mr. Katchin added the MUA is on a "pay as you go" plan for current pension obligation, and "every dollar" is paid for health benefits for active employees and retirees.

Mr. Wielkotz explained the numbers will grow as the population ages and increased expenses will drive up unfunded obligations.

Commissioner Vigil asked about tax abatements.

Mr. Wielkotz explained the MUA collects user fees and the City does tax abatements. This will not affect the City because financial statements are prepared using accounting practices regulated by the State, and "it's been this way for many years."

Commissioner Gibbons questioned Schedule 10, page 100 regarding insurance coverage for Commissioners.

Mr. Wielkotz explained this is for Public Officials Liability insurance.

EXECUTIVE DIRECTOR REPORT

1. **East Side Plant** - Mr. Becht reported he met with the Mayor/Mayor's office regarding the East Side plant. The MUA is looking to transfer this property from the MUA to the Jersey City Redevelopment Agency to expand Liberty Science Center. A draft access agreement was

reviewed by General Counsel, and revisions/recommendations have been forwarded to Liberty Science Center and the Jersey City Redevelopment Agency. The agreement will be executed once it has final review and approval by legal counsel. "If all goes well, we'll do a resolution in November (2015) to authorize the transfer of the property."

Chairwoman Tauro asked, "Where will we go when this building comes down?"

Mr. Becht explained when the East Side plan is no longer being used as an Authority property, "it goes back to the City." JCMUA plans to rehabilitate the back building "because it's on infrastructure we need." The back building will then be used for the MUA Administration Building or the City will find another property for the MUA. "We are not giving up property we're using. It's excessive property we don't need." Mr. Becht added that some portion of the East Side plant property will be kept by the MUA for future use by the Authority.

Commissioner Gibbons noted the possibility of contaminants at the East Side plant. "We should not be responsible if other contaminants are found there."

Mr. Becht explained Liberty Science Center will pick up costs associated with clean up or "we'll walk away."

Mr. Borin added, "We'll get a report on evaluation of the property so that no clean up obligation is triggered."

2. Salt Storage Facility - Mr. Becht advised of plans for a proposed salt storage facility to be located in downtown Jersey City, involving a shared service agreement between JCIA, DPW and JCMUA. The salt will be available to the MUA at no charge. The facility will also provide parking space for JCMUA vehicles for catch basin cleaning, salting, snow removal, etc. The vehicles will be parked outside but the MUA does not anticipate any negative impact on vehicles parked outside this winter. Pending Board approval of Resolution 10/15/18, the shared service agreement will be executed subject to review by legal counsel.

Following the Executive Director's report, Mr. Borin recommended that Resolution 10/15/18 be amended to include a paragraph stating the agreement must be acceptable to General Counsel and the Executive Director for ratification by the Board of Commissioners in November 2015. Mr. Borin requested a motion and second on Resolution 10/15/18 with above amendment and advised the vote will reflect approval as amended above.

Resolution 10/15/18 awarding contract for providing and installation of 50'X50'X18' fabric storage system foundation and all associated labor and materials; JCMUA contract number FSS-2015-35

Motioned to approve as amended by Commissioner Gibbons

Seconded by Commissioner Matthias

Roll call vote: Commissioner Gibbons Aye
 Commissioner Vigil Aye
 Commissioner Macchi Aye

Commissioner Matthias Aye
Chairwoman Tauro Aye

Mr. Borin then asked Mr. Prakash to provide an explanation regarding the need for Resolution 10/15/10 and Resolution 10/15/13.

Regarding Resolution 10/15/10 amending professional engineering services contract with French & Parrello Associates for design of new bascule gate system at the Boonton Dam, Mr. Prakash explained it was determined that replacing the gates would be more effective than rehabilitating the existing gates. Replacement is more cost efficient and will provide 50 plus years of useful life at the dam. He recommended moving forward with gate replacement and approving Resolution 10/15/10, adding "the amount is reasonable and will allow for design of gates and complete installation by the end of next year."

Commissioner Macchi asked which is less expensive, replacement or rehabilitation.

Mr. Prakash advised replacement is more expensive but will provide 50 + years of use and the added benefit of new technology. Rehabilitating the gates will provide only 10 +/- years of use.

Mr. Borin further explained that the cost of the rehabilitation work will be deducted from the current contract and contract will be amended for new gates.

Regarding Resolution 10/15/13 amending professional engineering services contract with Civil Dynamics Inc to provide additional engineering services for Longwood Lake Dam, Mr. Prakash advised the dam is owned by Jersey City and located in Morris County. A study was conducted as mandated by DEP Dam Safety and the study resulted in a revised classification to "high hazard" requiring submission to the DEP of an Emergency Action Plan. Mr. Prakash added that amending this contract is less time consuming than going to another engineering firm and the cost is reasonable. He recommended moving forward and approving Resolution 10/15/13.

CONSENT AGENDA

Resolution 10/15/1 authorizing transfer of funds for sewer operations

Resolution 10/15/2 authorizing payments of audited claims for sewer operations

Resolution 10/15/3 authorizing transfer of funds and payments of audited claims for water operations

Resolution 10/15/4 authorizing cash disbursements

Resolution 10/15/5 authorizing payments from the capital improvement, project and note funds

Resolution 10/15/6 authorizing emergency MMREF expenditure for repair of 20 inch water main in Ridge Road near Marin Avenue, Lyndhurst

Resolution 10/15/7 certifying to the Local Finance board compliance regarding the annual audit report for the fiscal year ended December 31, 2014 pursuant to N.J.S.A. 40A:5A-17

Resolution 10/15/8 authorizing change order number 3 for MMREF expenditure for replacement of water main in Fourth Street between Washington Boulevard and New Jersey Transit tracks

Resolution 10/15/9 authorizing the execution and delivery of agreements to be executed by the Jersey City Municipal Utilities Authority pursuant to the 2016 New Jersey environmental Infrastructure Trust Financing Program

Resolution 10/15/10 amending professional engineering services contract with French & Parrello Associate, P.A. for design of new bascule gate system at the Boonton Dam

Resolution 10/15/11 authorizing a change to the existing rules and regulations for furnishing water service, installation of water main extension, Section 4.40 hydrants – recommendation of new hydrant and valve type

Resolution 10/15/12 increasing bid threshold and appointing a qualified purchasing agent pursuant to N.J.S.A. 40A:11-3a and N.J.A.C 5:34-5

Resolution 10/15/13 amending professional engineering services contract with Civil Dynamics inc. to provide additional engineering services for Longwood Lake Dam

Resolution 10/15/14 authorizing award of a contract to Waterware Corporation for the repair of the emergency exit staircase at the JCMUA's Administration Building as a non-fair and open contract pursuant to N.J.S.A. 19:44A-20.4 Et Seq

Resolution 10/15/15 authorizing purchase of utility body and locking bar for one 4X4 crew cab pickup using the New Jersey State Cooperative Purchasing Program

Resolution 10/15/16 authorizing an amendment to a contract with Pure Technologies for a condition assessment of the Jersey City Municipal Utilities Authority 72 inch crosstown forcemain

Resolution 10/15/17 authorizing additional MMREF expenditures for three (3) emergency projects and closeout

Resolution 10/15/19 authorizing award of a contract for professional accounting and expert financial advisory services

Motioned to approve by Commissioner Gibbons
Seconded by Commissioner Matthias
Roll call vote: Commissioner Gibbons Aye
 Commissioner Vigil Aye
 Commissioner Macchi Aye

Commissioner Matthias Aye
Chairwoman Tauro Aye

COMMUNICATIONS – None

Prior to Executive Session, Chairwoman Tauro discussed overtime compensation for “salaried people.”

Mr. Borin advised the Personnel Manual provides clarification as to eligible employees pursuant to Federal law and explained that factors other than salary determine eligibility under Federal law.

OMr. Becht further explained that anyone making \$100,000 or more no longer receives overtime compensation “in the form of money but will get TC.”

GENERAL COUNSEL REPORT – General Counsel will report in Executive Session.

ITEMS OF UNFINISHED BUSINESS

Unfinished Business Agenda/Action Item(s) for October 2015 Commissioners meeting:

1. Change order chart.

ITEMS OF NEW BUSINESS

Mr. Borin requested a motion and second to approve new committee structure for standing committees as follows:

- Operations Committee - Commissioners Macchi and Vigil
- Procurement/Contracting Committee - Commissioner Gibbons and Chairwoman Tauro
- Financial Oversight/Audit Committee - Commissioners Matthias and Vigil

Motion to approve by Commissioner Gibbons

Seconded by Commissioner Vigil

Roll call vote: Commissioner Gibbons Aye
 Commissioner Vigil Aye
 Commissioner Macchi Aye
 Commissioner Matthias Aye
 Commissioner Tauro Aye

Mr. Hroncich then provided a report on reservoir levels and advised that as of October 26, levels were at 55 percent in Boonton. This is approximately 10 percent lower than this time last year but still within normal range. Today’s rainfall may add an additional 5 percent but significant rainfall is still needed. The monthly average is 3.5 inches and rainfall has been below average most of the year month-by-month. Mr. Hroncich reported a meeting was held with the State and Big 6 last week regarding declaration of a draught warning. A public hearing will be held on November 18 and a press conference is scheduled for November 19 to declare a draught warning. Another meeting will be scheduled later in November to re-evaluate conditions.

EXECUTIVE SESSION

Entered Executive Session at 6:12 p.m. to discuss matters of personnel and attorney-client privilege

Motioned to approve by Commissioner Vigil

Seconded by Commissioner Matthias

Roll call vote: Commissioner Gibbons Aye
 Commissioner Vigil Aye
 Commissioner Macchi Aye
 Commissioner Matthias Aye
 Chairwoman Tauro Aye

Executive Session ended at 6:43 p.m.

Motioned to approve by Commissioner Matthias

Seconded by Commissioner Vigil

Roll call vote: Commissioner Gibbons Aye
 Commissioner Vigil Aye
 Commissioner Macchi Aye
 Commissioner Matthias Aye
 Chairwoman Tauro Aye

Mr. Borin requested a motion and second on Resolution 10/15/20 (floor resolution) rescinding Resolution 1/04/9 and eliminating the hearing aid reimbursement program for all JCMUA Commissioners and employees. (Mr. Borin noted that no current employee is presently benefiting from this program, and JCMUA benefits will now be in line with the City's.)

Motioned to approve by Commissioner Gibbons

Seconded by Commissioner Vigil

Roll call vote: Commissioner Gibbons Aye
 Commissioner Vigil Aye
 Commissioner Macchi Aye
 Commissioner Matthias Aye
 Chairwoman Tauro Nay

ADJOURNMENT

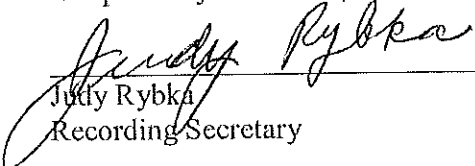
The meeting adjourned at 6:47 p.m.

Motioned to approve by Commissioner Matthias

Seconded by Commissioner Gibbons

Unanimously approved by all Commissioners present.

Respectfully submitted,



Judy Rybka
Recording Secretary