

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY  
MINUTES OF THE BOARD OF COMMISSIONERS' MEETING  
DECEMBER 23, 2015**

**CALL TO ORDER – 5:15 PM**

Director Becht welcomed and swore in Maureen Hulings as the newest member of the Board of the Commissioners of the Jersey City Municipal Utilities Authority.

In compliance with the Sunshine Law Director Becht ordered and directed that a Public Notice of a Regular 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:**

Acting Chairperson Marie Tauro  
Secretary Lewis Matthias  
Commissioner Maureen Hulings  
Commissioner William Macchi  
Commissioner Marcos Vigil  
Second Alternate Commissioner Thomas Gibbons

**MEMBERS ABSENT:**

First Alternate Commissioner Nicholaos Economou

**ALSO PRESENT:**

Daniel F. Becht, Esq., Executive Director  
John Folk, CPA, Director of Finance  
Richard Haytas, Senior Sewer Engineer  
Kevin Carr, QPA, RPPO, Purchasing Agent  
Rajiv Prakash, PE, Water Engineer  
Michael McClelland, PE, PP, CME Associates

**FLAG SALUTE**

**PUBLIC COMMENT** – None

**APPROVAL OF MINUTES**

Approval of minutes of the November 24, 2015 Commissioners' meeting.

Motioned to approve by Commissioner Matthias.

Seconded by Commissioner Vigil.

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

**CONSENT AGENDA**

**Resolution 12/15/1** authorizing transfer of funds for sewer operations

**Resolution 12/15/2** authorizing payments of audited claims for sewer operations

**Resolution 12/15/3** authorizing transfer of funds and payments of audited claims for water operations

**Resolution 12/15/4** authorizing cash disbursements

**Resolution 12/15/5** authorizing payments from the capital improvement, project, construction and note funds

Motioned to approve by Commissioner Macchi.

Seconded by Commissioner Matthias.

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

Commissioner Gibbons advised that he would not be voting at tonight's meeting because all five voting Commissioners were present.

Director Becht reached out over the telephone to General Counsel, Frank Borin, who could not attend the meeting because of the road traffic. It was decided that Mr. Borin would participate by the phone for the duration of the meeting.

Mr. Borin suggested the Commissioners take a motion to defer action on Resolutions 12/15/6, 12/15/7 and 12/15/8.

Motioned to defer action on Resolutions **12/15/6, 12/15/7 and 12/15/8** by Commissioner Vigil.  
Seconded by Commissioner Hulings.

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

Commissioner Vigil moved to hold for discussion Resolutions: 12/15/11, 12/15/13, 12/15/14 and 12/15/16. Commissioner Gibbons stated he would like to add 12/15/19 to the list.

While on the subject, Mr. Borin asked for a motion to defer action on Resolutions 12/15/18 and 12/15/22 as he wanted to be able to run those through the procurement and operations committee, respectively.

Motion to defer action on Resolution **12/15/18** and **12/15/22** by Commissioner Macchi.  
 Seconded by Commissioner Matthias.

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

**CONSENT VOTE**

**Resolution 12/15/9** authorizing a one-year extension to the contract for Insurance Broker/Risk Manager Services to Scirocco Group/Brown and Brown Metro, Inc.

**Resolution 12/15/10** authorizing Change Order #4 and #5 for the improvements to chambers & suspension bridge at Boonton Dam Spillway; JCMUA Contract No. ICSBD-2014-25-W

**Resolution 12/15/12** authorizing employee benefits for health, dental, life and prescription insurance

**Resolution 12/15/15** authorizing the appointment of a Public Agency Compliance Officer

**Resolution 12/15/17** authorizing interagency services agreement by and between the Jersey City Public School #5 and Jersey City Municipal Utilities Authority for the provision of Green Infrastructure Services

**Resolution 12/15/20** approving property, casualty, auto, excess liability, and public officials liability insurance coverages

**Resolution 12/15/21** authorizing settlement of arbitration between Mary Bloom and the Jersey City Municipal Utilities Authority

**Resolution 12/15/23** authorizing the execution of a bulk water agreement with the Township of Parsippany-Troy Hills for the sale and delivery of water by the Jersey City Municipal Utilities Authority

Motion to approve by Commissioner Vigil.

Seconded by Commissioner Hulings.

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

**Resolution 12/15/11** authorizing Change Order #5 for the Duncan Avenue Outfall Replacement and Water Main Relocation Project; JCMUA Contract No. DAS-2013-11A

**Resolution 12/15/13** authorizing an increase in the amount of the emergency repair of backpitch sewer on 10<sup>th</sup> Street between Brunswick Street and Monmouth Street

**Resolution 12/15/14** authorizing an increase in the amount of the emergency repair of collapsed sewer on 10<sup>th</sup> Street between Erie Street and Manila Avenue

Commissioner Vigil stated that he has similar questions with respect to Resolutions 12/15/11, 12/15/13 and 12/15/14. Commissioner Vigil recalled that at the last meeting he had some questions with regards to the Duncan Avenue Outfall and seeking reimbursement either through legal action or other methods and based on the description he saw in tonight's Resolutions it seems like it is for the same reasons that were discussed before for the prior work.

Mr. Haytas recalled that at the last meeting the Sip Avenue Outfall was questioned. Mr. Haytas stated that, along with Kevin Conti from General Counsel's office, he's trying to set up a meeting with the State in attempt to recoup some of that money. Unfortunately, with the upcoming holidays it has not been easy. Mr. Haytas added that he hopes something can be set up in the beginning of the year.

With regard to Resolution 12/15/11, Mr. Haytas explained that the Duncan Avenue Outfall is totally different from the Sip Avenue. We had issues with the gas main, had to relocate the water main, redesign the actual outfall due to existing utilities in Route 1&9 that neither the JCMUA nor our Project Engineer were notified of during the design phase.

Commissioner Vigil asked if it was PSE&G that failed to notify us. Mr. Haytas stated that the elevations on their gas main were wrong and we were using old elevations that were supplied by them. We had to redesign the whole intersection with the new outfall pipe. Mr. Haytas added that this project has been a headache from the beginning.

Commissioner Vigil asked if the JCMUA had any avenue for recourse with respect to seeking reimbursement. Mr. Haytas advised that the JCMUA is currently seeking reimbursement from PSE&G in connection with the Newark Avenue project, where they owe us over a million dollars for the removal of their conduit. Mr. Haytas asked Mr. Borin about the progress of the Newark Avenue claim. Mr. Borin explained that it was an ongoing process. Mr. Borin added that when there are avenues for recourse by the JCMUA for reimbursement of costs, they will most definitely pursue them on behalf of the JCMUA. Mr. Borin added that the JCMUA was currently also in litigation with New Jersey Transit, which is being handled by conflict counsel.

With respect to Resolution 12/15/13, Mr. Haytas explained that it was a question that was brought up at the last Commissioner's meeting. Mr. Haytas explained that the JCMUA had to

change the design on Tenth Street in which we incorporated one large manhole to accommodate the incoming connections from the development. During the construction of the manhole, it was brought to our attention that the two catch basins at the intersection of Tenth Street and Brunswick were collapsed. Mr. Haytas stated it would be foolish to advise them to close it up, so we authorized them to make the repair. With regard to trying to recoup some of this money from the developer, Mr. Haytas stated he has not pursued it yet. Commissioner Vigil recalled Mr. Haytas saying that the developer had already made some repairs out of his own pocket. Commissioner Vigil stated he had no more questions with regard to Resolution 12/15/13.

Commissioner Macchi asked if a convent and an adjacent school on Tenth Street between Brunswick and Monmouth are in any way affected by whatever is happening on Tenth Street. Mr. Haytas explained that on the north side of the Tenth Street there is a railroad apartment building and on the south side there is a nursing/senior home and since the convent and school are located on the corner of Seventh Street and Monmouth, they are not affected by it.

Commissioner Macchi suggested that before any CSO work starts, something could be written into the general contract to avoid us pursuing them anytime there is a correction to the CSO. Mr. Haytas stated that we definitely could incorporate that into JCMUA specifications. Mr. Haytas asked Mr. Borin about a legality of this issue. Mr. Borin said he would look into this.

Motioned to approve Resolutions 12/15/11, 12/15/13 and 12/15/14 by Commissioner Vigil.  
Seconded by Commissioner Matthias.

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

**Resolution 12/15/16** authorizing payment to RedZone Robotics, Inc. for the 96-inch sewer assessment in Carteret Avenue as a Non-Fair and Open Contract pursuant to N.J.S.A. 19:44A-20.4 et seq.

Commissioner Gibbons indicated that he had a conflict of interest with Resolution 12/15/16 and he therefore excused himself from the conversation and left the room.

Commissioner Vigil inquired as to whether this Resolution was related to the Canal Crossing. Mr. Haytas explained that JCMUA owns and operates a 96-inch pressurized pipe, which comes down Union Street, heads out on Garfield and down Carteret. As part of their remediation efforts, PPG was going to be driving their pile sheeting in proximity to this pipe. They came to the JCMUA and requested approval to drive the sheeting within our right of way. The JCMUA had concerns since we didn't know the condition of the pipe. We requested that they do a pre- and a post-work inspection to determine if the pipe has failed and if it was failing prior to their driving the sheeting or after. Mr. Haytas added that afterwards, along with the Director he had several conference calls with the legal counsel from the City. Mr. Haytas explained that by the Consent Decree with the EPA we are required to televise all our sewers within a certain amount of time. Mr. Haytas added that the JCMUA does not have the capability in house to televise this sewer and we thought it would benefit both parties. Mr. Haytas added that the JCMUA would be able to show the EPA and DEP that we are televising all the sewers and it would also give us a comfort level on the condition of the pipe when the PPG is actually driving their sheeting into

the ground to do their remediation. Mr. Haytas added that it was a 50/50 cost sharing agreement. Mr. Borin asked about the results of the study. Mr. Haytas stated that the pipe still has its definition, there were no signs of collapsing and the pipe looks in relatively good shape. Mr. Haytas added that a syphon that goes underneath the Morris Canal was discovered as loaded with thousands of floatable bottles, which could be a reason for the syphon to get jammed up and cause major backups on the street. That's something that eventually the City or the JCMUA will have to take action on. Mr. Haytas added that once PPG is done, then the JCMUA will have to contract someone to clean that syphon out.

Motioned to approve by Commissioner Vigil.

Seconded by Commissioner Matthias.

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

Going back to Resolution 12/15/15, Commissioner Tauro inquired about the new Compliance Officer. Director Becht explained that the JCMUA was not hiring anybody new, but it's a position that Kevin Carr has filled and that has to be renewed every year.

**Resolution 12/15/19** authorizing amendment to professional engineering services contract with T&M Associates for design of 30-inch water transmission main.

Commissioner Gibbons pointed out that he has a very minor correction to this Resolution. Commissioner Gibbons stated that the first paragraph indicates submission of documents by LERP, whereas it should indicate LSRP.

Motioned to approve by Commissioner Matthias.

Seconded by Commissioner Vigil.

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

Mr. Borin noted that the Commissioners did vote on Resolution 12/15/21 and added that this item would be a subject for discussion in the Executive Session. Director Becht stated that while the Commissioners did vote on it, if it is necessary he will discuss it further in the Executive Session. Without going into details, Director Becht explained that this Resolution authorizing him as the Executive Director to complete the settlement of arbitration between the JCMUA and a former employee. Commissioner Macchi asked about the amount of settlement. Director Becht advised it was confidential.

Mr. Borin suggested the Commissioners go into the Executive Session at the end of the meeting, so Director Becht could brief them on this Resolution and the Commissioners have a full picture of the status of this matter.

Commissioner Tauro asked about the 5-year salary analysis. Mr. Borin asked that this be held over till the next meeting so he can be present to review it.

### **COMMUNICATIONS**

Director Becht advised that the JCMUA received a letter from the NJEIT thanking and congratulating us for participating in their program and as the result "through participation in the NJEIT's refunding series noted above the JCMUA was able to save approximately \$683,000.00 in debt service payments." Director Becht added he'd like to thank the financial staff, Mr. John Folk, and people in his office, as well as our accountants.

### **EXECUTIVE DIRECTOR'S REPORT**

Director Becht stated he'd give his report in the Executive Session.

### **COMMITTEE REPORTS**

Commissioner Tauro suggested that the Commissioners get the committees back together. Mr. Borin added that that's one of the items he'd like to discuss since we have deferred action on some resolutions. Mr. Borin further added that the goal would be to set-up the committee meetings in early January so that we can run the outstanding items through the Procurement Committee and the salary increase through the Operations Committee in anticipation of having them on January agenda. Commissioner Tauro expressed that the Commissioners probably don't even remember who is on these committees. Mr. Borin reminded that Commissioners Tauro and Gibbons are on the Procurement Committee and added that the constituency of Operations and Finance Committees need to be discussed going forward and at the Reorganization Meeting the Commissioners would formally appoint various Commissioners to these three separate committees.

Commissioner Vigil advised that along with Commissioner Macchi he is on the Operations Committee.

Director Becht suggested that a time and date be picked right now so that the items pulled and any new items may be addressed.

It was decided that the Operations Committee would meet on January 8, 2016 at 11am, and the Procurement Committee on January 12, 2016 at 2pm. There was no need for the Finance Committee to meet this month.

### **COUNSEL REPORT**

Mr. Borin advised he'd give his report in the executive session.

### **ITEMS OF UNFINISHED BUSINESS**

Commissioner Gibbons stated that at the last meeting there was a talk about a change order table. When revising the Procurement Manual, one of the things brought up was to put together a process, whereby you'd record the engineer's estimate, the contractor's bid price and the negotiated price. And there would be a memo accompanying the change orders. Commissioner Gibbons explained that one of the reasons it was done was to establish a matrix so at the end of the year, you could put a table together and see dollars saved or the delta between these different numbers, because they're indicative of various things. Commissioner Gibbons added that he wondered where we stood with that and if something summarizing 2015 could be put together for the next meeting.

Director Becht stated that engineering was in charge of that and promised that this would be looked into again.

Commissioner Gibbons noted that data was there already in the resolutions and it was just a matter of putting it together in a table. Commissioner Gibbons added that ideally it would be done every month keeping the table current. Commissioner Gibbons explained that what you'd be able to see is things that are going out of balance. For example, if there is a certain engineer who has a lot of change orders and their engineer's estimate is way off, you'd want to reconsider the value of that engineer. Plus, when you look at the bid price which is the negotiated price, you'll be able to see dollars saved through that negotiation process, and demonstrate how rigorously the Agency is managing its resources.

Director Becht stated he'd discuss it with Mr. Haytas and Mr. Prakash, and possibly engage CME, as the consulting engineer, to assist the JCMUA and look into the overall practice.

### **ITEMS OF NEW BUSINESS**

Commissioner Vigil noted he had a new business to bring to the Board's attention, mostly for informational purposes, but also requesting some action from the Staff. Commissioner Vigil explained that about two years ago the City of Hoboken submitted a grant proposal for building flood walls in Hoboken to Housing and Urban Development and they were awarded a \$230 million grant. The grant is currently being administrated by DEP. Several of the designs have substantially large and high walls on the south side of Hoboken, meaning on the north side of Jersey City, particularly downtown, closer to the Jersey Avenue sewer lines. The City is taking the position that the impact of this wall is too much considering all the properties on the north side and especially Newport is objecting as to what these designs will do. Commissioner Vigil noted that he is not aware of any studies that were done to show impact of any flood damage to JCMUA infrastructure or properties. Commissioner Vigil suggested that JCMUA should be actively involved in this process and in constant communications with the parties on the Jersey City side.

Director Becht explained that JCMUA was involved as this was one of the Mayor's hottest projects from last year. Director Becht added that the Mayor is no longer interested in pursuing a sea wall on the Jersey City side. From what he read in various sources Hoboken is not interested in a sea wall, either. Hoboken has a couple of different designs, and if Hoboken is going to build a wall and the surge is going to go up to Jersey City, the U.S. Army Corp. Engineers, the EPA, the DEP are not going to approve it. Everything is in the design stage. Director Becht stated that the JCMUA is monitoring the situation, but he is not sure if there is anything we can do about it. Director Becht added that we are taking direction from the City, but we were told basically to stand by and it wasn't an issue that we needed to invest our resources into. Director Becht further added that if the administration wants us to take another look, we'd be more than happy to.

Commissioner Gibbons stated he was involved with it as well when they were talking about rising of Washington Street, but dropped out after he saw that the Planning Department was going in a different direction.

Director Becht explained that initially Hoboken and Jersey City were supposed to build a wall together, where the Jersey City wall was supposed to hook up with Hoboken and we would backfill all the real estate from Goldman Sachs and create over 100 acres of valuable waterfront



property. There was some public outcry and that's why the Mayor's Office probably decided to sit back and take a look. Director Becht reminded everybody that one community cannot do it without the other community and whatever we do on this side of the Hudson River, it's going to affect the other side of Hudson, because the surge and the pushback are going to affect the lower downtown. Director Becht added that the City had two competing groups. They had us and we authorized half a million dollars to do initial concept plans for the sea wall and then we had HEDS doing their own thing. Director Becht stressed that whatever direction we get from the City, we would be fine with it.

Commissioner Vigil stated that the \$230 million dollars is not going to go a long way and probably be gone by the end of the design phase, but it seems that the State is moving fast on spending this money. Also, he wouldn't want there to be a study that all of a sudden approves the preliminary plans that affect the JCMUA property and infrastructure.

Director Becht stressed again that he would look for direction from the Board and the administration. If it's needed that the JCMUA expands x amount of dollars to evaluate what impact it has on us, the JCMUA would have no problem with it.

Commissioner Gibbons stated that in his opinion, before spending any money, the best thing to do would be to establish some lines of communication and points of contact with the Mayor's Office, Planning Board and with Hoboken.

Commissioner Vigil stressed that from the JCMUA's perspective, we should request from the State any studies, if there are any, because it is unclear whether there is any information as to what the impact of the design would have in terms of the flood problems.

Director Becht suggested the Consulting Engineer, CME Associates, try to get the information and get back to the Board at the next meeting.

Commissioner Gibbons stated he wanted to comment on Resolution 12/15/17 and reminded everyone that he was a big proponent of green infrastructure. This Resolution deals with doing a \$177,000 pilot study to improve management of existing water infrastructure and storm water at Public School #5. Commissioner Gibbons commented that this will have a really positive effect on Jersey City and it's great for public education. Commissioner Gibbons stated he just wanted to thank the Executive Director and the Board for supporting that. Director Becht said that the JCMUA has a lot of great stories to tell: the rain barrels being one of them and JCMUA being responsible in generating of over \$800,000 in income hooking up the Statue of Liberty. Director Becht noted we have the resources to assist and help. Director Becht added that recently the JCMUA has been involved with Reservoir #3, where they're looking to build a park and we're looking to assist the City by providing the majority of financial resources necessary to clean the land, provide infrastructure, etc. Mr. Borin added that we're also looking at availability of grants through Green Acres.

Mr. Borin asked for a motion and a second for a resolution to go into the executive session for the purpose of discussing matters of litigation and also contract negotiations.

Motioned to approve by Commissioner Vigil.

Seconded by Commissioner Hulings.

Roll call vote:            Commissioner Tauro            Aye

Commissioner Matthias	Aye
Commissioner Hulings	Aye
Commissioner Macchi	Aye
Commissioner Vigil	Aye

**EXECUTIVE SESSION**

Matters of litigations and contract negotiations were discussed.

**ADJOURNMENT**

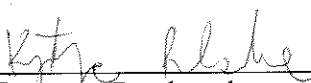
The meeting adjourned at 6:40pm.

Motioned to approve by Commissioner Hulings.

Seconded by Commissioner Matthias.

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

Respectfully submitted,

  
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Krystyna Pawlowska  
Payroll Officer/Asst. to the Exec. Dir.