

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
MINUTES OF THE BOARD OF COMMISSIONERS MEETING
NOVEMBER 29, 2016**

CALL TO ORDER – 5:05 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 Maureen C. Hulings
Commissioner, Marcos D. Vigil
Commissioner, Jeannine Zampella
First Alternate Commissioner, Nicholaos I. Economou
Second Alternate Commissioner, Thomas M. Gibbons

ABSENT

Commissioner, William A. Macchi
First Alternate Commissioner, Nicholaos I. Economou

ALSO PRESENT:

Daniel Becht, Esquire, Executive Director
Judy Rybka, Recording Secretary
Francis J. Borin, Esquire, DeCotiis, FitzPatrick & Cole, LLP
John D. Folk, CPA, Director of Finance
Richard Haytas, PE, Senior Engineer/Infrastructure Maintenance Supervisor
Jerome A. Harris, PE, PP, CME Associates
Michael McClelland, PE, PP, CME Associates
Kevin J. Carr, RPPO, QPA, Purchasing Agent
Rajiv Prakash, Engineering Department
David Franco, JCMUA Back Up Foreman
Krystyna Pawlowska, Administrative Assistant
Robert McNinch, CPA, CFE, Ferraioli, Wielkotz, Cerullo & Cuva
Steven D. Wielkotz, CPA, RMA, Ferraioli, Wielkotz, Cerullo & Cuva

FLAG SALUTE

PUBLIC COMMENT – No Public Comment

APPROVAL OF MINUTES

Approval of the minutes of the October 26, 2016 Commissioners meeting

Motioned to approve by Commissioner Hulings

Seconded by Commissioner Vigil

Roll call vote: Commissioner Economou Abstention
 Commissioner Vigil Aye
 Commissioner Zampella Aye
 Commissioner Hulings Aye
 Chairwoman Tauro Aye

RESOLUTIONS - CONSENT AGENDA

Resolution 11/16/1 authorizing transfer of funds for sewer operations

Resolution 11/16/2 authorizing payments of audited claims for sewer operations

Resolution 11/16/3 authorizing transfer of funds and payments of audited claims for water operations

Resolution 11/16/4 authorizing cash disbursements

Resolution 11/16/5 authorizing payments from the capital improvement, project and note funds

Resolution 11/16/7 correcting amendment number 6 for professional engineering services contract to Hatch Mott MacDonald for structural assessment of buildings and JCMUA structures affected by Superstorm Sandy

Resolution 11/16/8 authorizing change order number 8 for MMREF expenditure for rehabilitation of the two (2) 48 inch lower level drain lines and valves and improvements to the gatehouse at the Boonton Dam

Resolution 11/16/9 authorizing change order number 1 for Sixth Street sewer replacement project; JCMUA contract number DAS-2013-11B

Resolution 11/16/10 authorizing change order number 1 for MMREF expenditure for State Route 440 water main replacement project

Resolution 11/16/11 authorizing the declaration of an emergency replacement of the water main in Randolph Avenue between Carteret Avenue and Claremont Avenue

Resolution 11/16/12 awarding contract to Waterware Corp. for provision of disposable netting bags and associated hardware for CSO netting facilities; JCMUA contract number DNB-2016-38

Resolution 11/16/13 authorizing acquisition and execution of easements from property owners for 30 inch and 24 inch aqueduct installation; The City of Jersey City Water Infrastructure System Project

Resolution 11/16/14 authorizing award of a contract to J. Fletcher Creamer & son, Inc. for construction services for 30 inch and 24 inch aqueduct installation Phase I of the City of Jersey City Water Infrastructure System Project; JCMUA contract number A130-2016-35

Resolution 11/16/15 resolution authorizing an amendment to the contract with CME Associates for consulting engineering services

Motioned to approve by Commissioner Hulings

Seconded by Commissioner Vigil

Roll call vote: Commissioner Economou Aye
 Commissioner Vigil Aye
 Commissioner Zampella Aye
 Commissioner Hulings Aye
 Chairwoman Tauro Aye

DEFERRED RESOLUTIONS

Resolution 11/16/6 certifying to the Local Finance Board compliance regarding the annual audit report for the fiscal year ended December 31, 2015 pursuant to N.J.S.A 40A:5A-17

Mr. Wielkotz, CPA, RMA, of Ferraioli, Wielkotz, et al reported the audit conducted was for the period ending December 31, 2015, and presented highlights. Highlights included:

- Clean opinion on financial statements
- No audit findings this year
- Increase in net purchases
- Rate increase and revenue increase of \$5.4 million (combined sewer and water)
- Increase in sewer connection fees
- Unfunded pension obligations reflected in financial statements

In response to Commissioner Vigil's question concerning pension liability, Mr. Wielkotz explained the State hired KPMG to conduct an analysis and submit a report. Commissioner Vigil was referred to note 16 of that report.

Mr. Borin asked if the increase in revenue was due to the rate increase.

Mr. Wielkotz replied, "Generally, yes," as well as added accounts and a possible reduction in the amount of water used.

Motioned to approve by Commissioner Vigil

Seconded by Commissioner Hulings

Roll call vote: Commissioner Economou	Aye
Commissioner Vigil	Aye
Commissioner Zampella	Aye
Commissioner Hulings	Aye
Chairwoman Tauro	Aye

Resolution 11/16/16 authorizing the declaration of an emergency sewer and water main repair on Van Horne Avenue between Communipaw Avenue and Lafayette Street

Commissioner Vigil noted several complaints concerning these lines were received, and asked how water and sewer lines are monitored to avoid emergency situations.

Mr. Haytas explained that under the Consent Decree, all lines in the City are being televised and analyzed. Phase 7 is currently underway and two phases remain. These lines were in the process of being replaced.

Commissioner Vigil further noted an obstruction was found which might have been addressed in a timelier manner.

Mr. Haytas explained the new Operations Manager was advised of the situation in September through an email. Excavation was needed to determine the cause of the problem. Meetings/discussions were held with the DEP and EPA concerning certain procedures.

Mr. Becht advised there are multiple issues related to the repair. Some miscommunication may exist and further discussion of operations and safety are needed. These items, along with any personnel issue(s), can be discussed further in Executive Session.

Mr. Borin recommended the vote on Resolution 11/16/16 take place following the close of the Executive Session.

Resolution 11/16/17 authorizing amendment to contract for Special Counsel services (walk on resolution)

Per Mr. Borin this is regarding Riker, Danzig et al, Special Counsel, concerning litigation with Rockaway Valley Regional Sewerage Authority (RVRSA). At issue is a contract between the JCMUA and RVRSA and an agreement Jersey City had with eight/nine other towns in Morris County regarding construction of a sewer facility. The MUA feels it has contributed an adequate amount and its obligation should be modified. A law suit was unsuccessfully mediated, and the matter is now expected to go to trial in March 2017. Mr. DeHope of Riker, Danzig will need to file motions between now and the end of the year. Therefore, an increase in authorization in the amount of \$50,000, for a total combined authorization of \$425,000 for 2016 is requested. Mr. Borin and Mr. Becht, along with Corporation Counsel, have met with Riker, Danzig to reiew.

Commissioner Gibbons asked, "What is the value to the MUA of winning the case and will we be successful?"

Mr. Borin explained that Mr. DeHope feels the MUA should prevail, and the Authority's obligation could be reduced approximately \$650,000 per year.

Mr. Becht added, "The law suit will pay for itself."

Commissioner Hulings asked what happens if the MUA does not win.

Mr. Borin explained the Authority will continue to pay the amount it has been paying "all along."

Motioned to approve by commissioner Hulings

Seconded by Commissioner Vigil

Roll call vote: Commissioner Economou	Aye
Commissioner vigil	Aye
Commissioner Zampella	Aye
Commissioner Hulings	Aye
Chairwoman Tauro	Aye

COMMUNICATIONS – No Communications

EXECUTIVE DIRECTOR'S REPORT – No Report

COMMITTEE REPORTS

Finance Committee – Commissioner Hulings reported the Finance Committee met with Mr. Becht and the Finance Department to review the audit. Following review of the audit and consideration of advice of General Counsel and the Executive Director, the Committee is satisfied with the audit report.

Green Infrastructure Committee – Commissioner Gibbons reported on the following:

1. Sustainable Jersey City is working with Pratt Institute and Plan NYC. Green infrastructure opportunities are currently being researched. Pratt has asked for CSO and pump station locations and other CSO information. Pratt will make the programs available to Jersey City and the MUA.

Per Mr. Becht, CSO information can be shared. He asked that Pratt's request be forwarded to him.

2. Contracts and Change Orders – Two spreadsheets, one each for water and sewer, were distributed and explained. The charts will help evaluate the performance of contractors and assist the Board in establishing metrics regarding expectations. The MUA can ask for corrective actions and try to control change order costs. Commissioner Gibbons recommended setting the goal at 40%. Setting metrics can be discussed further at the next Commissioners meeting.

Commissioner Vigil asked if this will be done for already existing contracts.

Mr. Borin replied, "It depends on the corrective action."

Commissioner Gibbons added this is more a "management tool than a punitive tool."

3. Green Infrastructure with Rutgers - Mr. Prakash advised the project is going well. Rutgers performs the design work and the MUA bids jobs. A project scheduled for next year on MLK Drive is currently in the design phase. Design work is complete on P.S. Number 5 and construction is scheduled to begin next year. Per Mr. Prakash, Rutgers is well experienced in green infrastructure and it is an "asset to have them." Research for additional opportunities will continue.

Commissioner Vigil advised the application for the 25 Columbus project (construction of a school) was submitted to the EPA for infrastructure funding.

Mr. Becht advised he and Mr. Andal will attend the Google Hack-a-Thon (brainstorming event) on Saturday, December 3.

COUNSEL REPORT – Will report in Executive Session.

ITEMS OF UNFINISHED BUSINESS - Chairwoman Tauro questioned the status of union negotiations.

Per Mr. Borin, contract matters will be discussed in Executive Session.

ITEMS OF NEW BUSINESS - None

EXECUTIVE SESSION

Entered Executive Session at 5:45 p.m.

Motioned by Commissioner Hulings

Seconded by Commissioner Zampella

Roll call vote:	Commissioner Economou	Aye
	Commissioner Vigil	Aye
	Commissioner Zampella	Aye
	Commissioner Hulings	Aye
	Chairwoman Tauro	Aye

EXECUTIVE SESSION CLOSED/REGULAR SESSION REOPENED 6:30 P.M.

Motioned to approve by Commissioner Hulings

Seconded by Commissioner Zampella

Roll call vote:	Commissioner Economou	Aye
	Commissioner Vigil	Aye
	Commissioner Zampella	Aye
	Commissioner Hulings	Aye
	Chairwoman Tauro	Aye

Upon reopening of the Regular Session, Mr. Borin requested a motion and second to table Resolution 11/16/16

Motioned by Commissioner Vigil

Seconded by Commissioner Hulings

Roll call vote: Commissioner Economou	Aye
Commissioner vigil	Aye
Commissioner Zampella	Aye
Commissioner Hulings	Aye
Chairwoman Tauro	Aye

ADJOURNMENT

The meeting adjourned at 6:32 p.m.

Motioned by Commissioner Vigil

Seconded by Commissioner Economou

Unanimously approved by all Commissioners present.

Respectfully submitted,



Judy Rybka
Recording Secretary