

**MINUTES OF THE REGULAR SESSION OF THE
JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
JUNE 27, 2013**

PRESENT:

Chairwoman, Eileen Gaughan
Commissioner, Donald Brown (present by phone)
Commissioner, Debbie Harris
Commissioner, Commissioner William Macchi
Commissioner, Lewis W. Mathias
First Alternate Commissioner, Nicholas Economou
Second Alternate Commissioner, Dominick Pandolfo

ALSO PRESENT:

Daniel Becht, Esquire, Executive Director
John Folk, CPA, Director of Finance
Judy Rybka, Recording Secretary
Barbara Gordon, Director of Administration
Richard Haytas, P.E., Senior Engineer/Infrastructure Maintenance Supervisor
Elnardo Webster, II, Esquire, Genova, Burns, Giantomasi
Joni N. McDonnell, Esquire, Genova, Burns, Giantomasi
Drake C. Stinson, PE, LEED, AP, Mayo, Lynch & Associates
Matthew Donohue, CPA, Donohue, Gironde and Doria
Kevin Carr, Purchasing Agent
John Minella, Former JCMUA Commissioner

In compliance with the Sunshine Laws, Chairwoman Gaughan 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.

Chairwoman Gaughan convened the meeting at 5:02 p.m. and opened with the Pledge of Allegiance.

Resolution 6/13/1 authorizing transfer of funds for sewer operations
Motioned to approve by Commissioner Economou
Seconded by Chairwoman Gaughan
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/2 authorizing payments of audited claims for sewer operations
Motioned to approve by Commissioner Economou
Seconded by Chairwoman Gaughan
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/3 authorizing transfer of funds and payments of audited claims for water operations
Motioned to approve by Commissioner Economou
Seconded by Chairwoman Gaughan
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/4 authorizing cash disbursements
Motioned to approve by Commissioner Economou
Seconded by Chairwoman Gaughan
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/5 authorizing payments from the capital improvement, project, construction and note funds
Motioned to approve by Commissioner Economou
Seconded by Chairwoman Gaughan
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/6 authorizing award of contract to Orpak USA, Inc. for upgrade to fuel management system as a non-fair and open contract pursuant to N.J.S.A.19:44A-20.4 and 20.5
Motioned to approve by Chairwoman Gaughan
Seconded by Commissioner Brown
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/7 awarding contract for professional engineering services to Hatch Mott MacDonald for construction administration for the replacement of roof at the East and West Side plants due to Superstorm Sandy

Commissioner Macchi complimented Mr. Carr on the Superstorm Sandy procurement report he prepared. "It's very easy to understand."

Mr. Becht discussed claims submitted to FEMA in the approximate amount of \$6 million and an additional \$3 million of "uninsured property value. There is \$60 to 65 million in

mitigation. Money comes from FEMA to the State. We could be made whole for damage but mitigation is found money. There are many mitigation projects.”

Mr. Carr explained that a meeting took place with the DEP concerning low interest loans with a 19 percent forgiveness.

Commissioner Macchi asked, “If we get the low interest loan, does this count against the loan we use all the time?”

Mr. Folk replied, “No. It’s additional and does not affect our ability to float bonds.”

Mr. Becht added, “Our debt service could be reduced by half in ten years. We’re paying down as we go.”

Commissioner Macchi asked about sewer borrowing from water and vice versa until the end of the year.

Mr. Donohue replied, “Water lends to sewer most of the time.”

Commissioner Macchi asked, “Can we do it when we want to float a loan?”

Mr. Becht replied, “Our credit rating is very high so it’s not an issue.”

Motioned to approve by Chairwoman Gaughan
Seconded by Commissioner Mathias
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/8 granting partial abatements
Motioned to approve by Commissioner Mathias
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/9 authorizing expenditures for Sensus meters and associated hardware
Motioned to approve by Commissioner Economou
Seconded by Commissioner Mathias
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/10 awarding contract for professional engineering services to Hatch Mott MacDonald in connection with design of pipe supports for East Side Pump Station replacement project due to Superstorm Sandy

Chairwoman Gaughan requested Resolution 6/13/10 be deleted from the agenda until further discussion.

Mr. Haytas advised, “We have to move on this. It’s cost effective and there’s no proposal from an alternate vendor.”

Motioned to delete Resolution 6/13/10 from the agenda by Chairwoman Gaughan
Seconded by Commissioner Matthias
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/10 is deleted from the agenda.

Resolution 6/13/11 authorizing purchase of two 4 X 4 Ford F150X13 super cab pick up trucks using the New Jersey State Cooperative Purchasing Program

Commissioner Harris asked, “What are they for?”

Mr. Carr explained they will replace other older vehicles that are “past their prime.”

Mr. Becht added, “Some are from 1993 and 94.”

Commissioner Brown asked if the math error in Resolution 6/13/11 had been corrected.

Mr. Folk replied, “Yes.”

Commissioner Macchi asked, “What will we do with the old vehicles?”

Mr. Becht replied, “They’ll be offered at auction.”

Motioned to approve by Commissioner Matthias
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/12 awarding contract for professional engineering services to Hatch Mott MacDonald for construction administration services and resident engineering observation services for 84 inch Duncan Avenue outfall
Motioned to approve by Commissioner Economou
Seconded by Commissioner Matthias
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/13 awarding contract for professional engineering services to Remington, Vernick & Arango engineers for the replacement of the motors, control system and VFD’s at the JCMUA’s East Side Plant
Motioned to approve by Chairwoman Gaughan
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/14 authorizing MMREF expenditure for emergency repair of leaking large valves at Hoboken Avenue and Jersey Avenue
Motioned to approve by Commissioner Matthias

Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/15 authorizing MMREF expenditure for emergency repair of leaking valve at Summit Avenue and Grand Street and installation of new valves
Moted to approve by Commissioner Economou
Seconded by Commissioner Matthias
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/16 authorizing amendment to professional engineering services contract with Mayo, Lynch and Associates (MLA) for design modifications to Split Rock Dam improvements
Moted to approve by Commissioner Matthias
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/17 retaining professional services for FEMA management services for damage during Superstorm Sandy as an emergency procurement
Moted to approve by Chairwoman Gaughan
Seconded by Commissioner Brown
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/18 amending award of contract to William J. Guarini, Inc. for demolition of building at 87 Van Home Avenue as a non-fair and open contract pursuant to N.J.S.A.19:44A-20.4 and 20.5
Moted to approve by Commissioner Matthias
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/19 approving settlement with Texas Eastern Transmission, LP (walk on Resolution)

Mr. Becht explained the Authority received a settlement offer in the amount of \$385,000 from Texas Eastern for the right to an easement on JCMUA owned property. “The easement is not where our pipes are and does not effect operations. The money can be used to purchase vehicles. They have the right and I think it’s in our agency’s best interest.”

Ms. McDonnell explained a few easements are only temporary during the time of construction and three are permanent. The impact on use of MUA property would be low.

Commissioner Macchi asked if Jersey City has approved a settlement in connection with City owned properties involved in this project. “Do we vote without City Council approval.” He also asked about the authority of the Federal Energy Regulatory Commission (FERC).

Ms. McDonnell explained the actions are separate. One offer is for JCMUA properties and another for Jersey City parcels. The MUA action should be separate from the City. The City was against the settlement in the beginning but believes it will benefit the City to have the pipe line.

Mr. Webster added, “This can be approved without City approval.”

Ms. McDonnell advised the easements are being acquired by condemnation and the Authority has the right to get fair market value.

Commissioner Harris asked, “Is this time sensitive?”

Ms. McDonnell explained if the Board agrees to the settlement offer, the MUA could receive a check in a few weeks. If however the offer is reconsidered, it must be settled before court imposed deadlines.

Mr. Webster advised the MUA has not done its own appraisal.

Chairwoman Gaughan recommended Resolution 6/13/19 be tabled until the offer can be further evaluated.

Mr. Webster recommended the Authority get its own appraisal to be certain the offer is a fair market value offer. He estimated the cost of the appraisal to be approximately \$1,500 to \$2,000.

Motion to table Resolution 6/13/19 by Chairwoman Gaughan
Second by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Resolution 6/13/19 is tabled.

Mr. Webster suggested an offer less than \$500,000 (although the offer of \$385,000 is not “outrageous”) is a fair reason to table the Resolution so the JCMUA can obtain an independent appraisal to confirm the offer is the right value. Only the value of the easement will be appraised. Mr. Webster verbally drafted a floor resolution authorizing the Executive Director to obtain an appraisal on the easement. The appraisal fee should not exceed \$5,000. A draft of the floor Resolution will be presented at next month’s Commissioners meeting for ratification.

Motioned to approve floor Resolution by Chairwoman Gaughan
Seconded by Commissioner Economou
Unanimously approved by all remaining Commissioners present.

Mr. Donohue then discussed introduction of the audit for period ending December 31, 2012 and explained the Board would be asked to adopt the audit at next month's Commissioners meeting. "It is being introduced only tonight. There is nothing unusual, no problems. It was a decent year and revenues were greater than expenses." He called attention to the Letter to Governance which is required to be attached to all audits. Once adopted, the audit will be sent to Trenton and a synopsis will be published in the newspaper.

Mr. Webster reported attending a meeting during which the Office of the State Controller addressed at length Board governance.

Mr. Donohue continued to explain the Letter to Governance deals with issues not seen in audit. The Letter is to be read/reviewed by the Board to make certain "the Board is doing what it should be doing."

Commissioner Macchi briefly discussed the Jain family who attended last month's meeting and asked, "What ever happened?"

Mr. Becht explained an agreement was reached and the matter is resolved.

Commissioner Macchi asked, "Are they satisfied?"

Mr. Becht advised the matter is resolved as it relates to that party. The MUA is working with one or two others parties but the Jain family is satisfied and has agreed to the terms offered by the JCMUA. The Authority is satisfied with how the matter was resolved as well.


Approval of Minutes

Approval of minutes of the May 23, 2013 Commissioners meeting
Motioned to approve by Chairwoman Gaughan
Seconded by Commissioner Matthias
Unanimously approved by all remaining Commissioners present.

Adjournment

The meeting adjourned at 5:33 p.m.
Motioned by Chairwoman Gaughan
Seconded by Commissioner Harris
Unanimously approved by all remaining Commissioners present.

Respectfully submitted,


Judy Rybka
Recording Secretary