

RESOLUTION AUTHORIZING MEETING MINUTES OF FEBRUARY 18, 2016

MOTIONED BY: Marotta

SECONDED BY: Assadourian

WHEREAS, the North Hudson Sewerage Authority (hereinafter "Authority") is a public body, duly formed under the Sewerage Authorities law, constituting Chapter 138 of the Laws of New Jersey of 1946, as amended (Chapter 14A of Title 40 of the New Jersey Statutes Annotated) and possesses the powers set forth therein; and

WHEREAS, a regular meeting of the Authority was held on February 18, 2016; and

WHEREAS, minutes of the meeting have been prepared by General Counsel and presented to the Authority members and staff for their review.

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby approves the minutes of the meeting of February 18, 2016 for the record.

DATED: MARCH 17, 2016

RECORD OF COMMISSIONERS' VOTE

| | YES | NO | ABSENT |
|--------------------------|------------|-----------|---------------|
| Commissioner Assadourian | x | | |
| Commissioner Kappock | | | x |
| Commissioner Marotta | x | | |
| Commissioner Gardiner | x | | |
| Commissioner Soares | x | | |
| Commissioner Vargas | x | | |
| Commissioner Velazquez | x | | |
| Commissioner Roque | x | | |
| Commissioner Zucconi | x | | |

THIS IS TO CERTIFY THAT THIS RESOLUTION WAS DULY ADOPTED BY THE NORTH HUDSON BOARD OF COMMISSIONERS ON MARCH 17, 2016.



SECRETARY

NORTH HUDSON SEWERAGE AUTHORITY

MINUTES OF REGULAR MEETING

FEBRUARY 18, 2016

At approximately 6:31 p.m., Chairman Brian Kappock called the meeting to order.

In attendance at the meeting in addition to Chairman Kappock were Commissioners Gardiner, Marotta, Soares, Vargas, Velazquez, Roque and Commissioner Zucconi participated by telephone.

Counsel Leanza advised that this was a regularly scheduled meeting of the Authority that the regular schedule of the Authorities meetings was published in the Authority's official newspapers and copies thereof sent to the Clerks of Hoboken, Union City, Weehawken and West New York with a copy thereof posted on the Authority's bulletin board. Being in compliance in with the Open Public Meetings Act the Authority's were authorized to take all appropriate action at this meeting.

On motion of Commissioner Velazquez, seconded by Commissioner Vargas, Resolution No. 16-015 authorizing the meeting minutes of February 4, 2016, the reorganization meeting was unanimously adopted with Commissioner Zucconi abstaining thereon.

Chairman Kappock next asked for the engineers report.

CH2M HILL.

Michael Wilson of CH2M Hill reported with regard to the Authority's capital improvement projects, the Adams Street and River Road chemical feed and disinfection system improvement projects are nearing completion and performance testing and training is being conducted thereon. It is anticipated all project will be complete by the end of the month.

1. With regard to the combined sewer overflow projects, CH2M Hill continued working with OMI in coordinating compliance with scheduled CSO related submissions in the Authority's permits and public notification requirements; including, real time reporting of overflows on the Authority's website.
2. RFP's were prepared to conduct water quality sampling of CSO's and to meter collection system flows to implement the Authority's base line compliance of monitoring program and characterization work plan. CH2M Hill is coordinating with Hatch Mott McDonald on developing collection system condition assessment RFPs and monitoring and modeling activities with the New Jersey combined sewer overflow group.

3. With respect to the W1234 solids floatable facility final design, CH2M Hill continued coordinating with the Authority and Hartz Mountain Industries with various options to relocate the facilities.
4. With regard to the H5 Wet Weather Pump Station services during construction. CH2M Hill continued to work with the Maxwell Place Homeowner's Association and the City of Hoboken regarding various elements of the construction project and to coordinate the license site remediation professionals monitoring of the site for both dust and volatile organic chemicals. Installation of concrete for the pump station top slab and sheeting along the H5 outflow to begin installation of reinforcing steel for the connection chamber between the outfall and the pump station has commenced.

HATCH MOTT MACDONALD.

Kevin Wynn reported that Hatch Mott MacDonald continues to work with United Water and its program to eliminate extraneous flows into the River Road wastewater treatment plant and meetings are being conducted on almost a monthly basis with good results.

With respect to the W1234 CSO outfall, the contractor has completed working along Waterfront Terrace in order to install the new 96 inch pipe. The combined sewer regulator upgrades and improvements are approximately 95% complete. The contractor has submitted drawings, etc. for installation of the new grit classifiers at Adams Street hoping to get the new equipment operating as quickly as possible. The Notice to Proceed for the 2016 River Road Wastewater Treatment Plant improvements was issued on February 2016.

With regard to the 2017 Capital Improvements Program, Hatch Mott MacDonald has submitted letters of intent for the following projects to the New Jersey Environmental Infrastructure Trust Program for capital improvements:

- A. 2017 River Road Wastewater Treatment Plan Improvements including boiler replacement and odor control system and trickling filters.
- B. 2017 Adams Street Improvements which includes PURAC improvement Phase III. This being part of the Authority's seven year plan to replace the PURAC system.
- C. 2017 Sewer Improvement Project consisting of sewer cleaning and lining.

Chairman Kappock inquired as to why the Authority used New Jersey Environmental Infrastructure Trust funding so much.

Mr. Wynn replied because of the interest rate differential.

Authority Engineer Pocci explained that half of the money at the Authority receives from the NJEIT is at a reduced interest rate and the other half is at no interest at all so it would be impossible for the Authority to get better funding for its construction projects than through the State source.

Don Congers next gave operations report for the Adams Street Facility.

For January all effluent parameters for BOD, TSS as well as PH temperature oil and grease and ammonia were also achieved. The monthly average of flow was 13.03 million gallons per day. The numbers reported were percentage removal of 87% each for BOD and TSS an average effluent concentrations of 17 mg/L and 16 mg/L of BOD and TSS respectively. All metrics well within the permit limits. The fecal coliform numbers were back down but OMI still is injecting chemicals into the system to obtain such good results. OMI is also replacing the sand in the PURAC to attain better percentage removals. All other operations of the plant were working satisfactorily.

With respect to the River Road facility, it too had achieve all permit limits. The percentage removals for CBOD and TSS were 92% each respectively with effluent concentrations of CBOD and TSS at 13 mg/L and 15 mg/L. Again chemicals were injected into the system to help reduce fecal coliform levels. It should also be noted that the average daily flow was 7.41 million gallons per day, up a little bit from the previous month.

Mr. Conger also reported that all of the pump stations were operating satisfactorily.

Commissioner Gardiner asked as to where our sludge is deposited. Mr. Conger replied that it was sent to the Passaic Valley Sewerage Commission.

Executive Director Wolff noted that previously the sludge had been sent to a beneficial reuse site but that the same could not accommodate the Authority's sludge any more.

Commissioner Velazquez inquired as to how the system works in the extremely cold weather that the surface area had recently suffered.

Mr. Conger replied that the flow is a little colder and the only problems that the Authority suffers are some small ancillary pipes get frozen, not unlike those of private business.

Authority Engineer Pocci indicated that the waste water temperature is approximately a steady 68 degrees and that our bigger problems are pipes freezing and resulting water main breaks which result in additional flow to the plants.

GREELEY & HANSEN

Greeley & Hansen reported that with respect to the Phase I PURAC upgrades, cable and

conduit had been pulled to the switching gear and the project is moving towards completion.

With regard to the switch gear replacement in Adams Street and River Road, they continue to work on the same and are awaiting some approvals for the City of Hoboken with regard to Adams Street.

With regard to the Park Avenue siphon, they are presently working on permits from New Jersey Transit to commence such work. Finally, PURAC Phase II should go out to bid in approximately one month.

Mr. Pocci reported that he is working on a Middle School grant for education which would be used to work in conjunction with Rutgers for a green education unit to middle aged children.

Chairman Kappock inquired as what the Middle School project would be and Mr. Pocci indicated that the same would be teaching about green infrastructure and the operation of the combined sewer system and its result in emptying of street and rain water into the Hudson River. Commissioner Velazquez noted that once the new Union City Schools are on line, they will have green infrastructure as part of the school construction project.

Mr. Pocci added that such a school based project would be an excellent example for the program.

Executive Director Wolff stated that the Authority is working with three cities to help them include green infrastructure as part of long term CSO projects and that Hoboken was well ahead in these matters.

At approximately 6:47 pm, Commissioner Assadourian called into the meeting from his travels in Mexico.

Chairman Kappock asked that Executive Director Wolff and the Authority consultants would please advise the Commissioners about events in the service area and particularly, in the Commissioners respective municipalities so that they might attend the same.

Commission Soares commented on some of the green infrastructure being installed in the City of Hoboken particularly in City Hall with regard to rain gardens, etc. that had been funded by the NJEIT.

Chairman Kappock next inquired as how maintenance of the Authority's facilities is coming along.

Authority Engineer Pocci replied that maintenance is what in effect drives the capital budget. We are slowly replacing the PURAC, pumps, strainers and odor control areas, etc. We will also need to replace the motor vehicles.

Executive Director Wolff said this is why the Authority makes such good use of the New Jersey Environmental Infrastructure Trust Fund.

Mr. Conger also repeated that the Sandy recovery projects were mostly completed. There were some electrical work that was proposed because of the cold weather and the reluctance to shut down facilities in the event of any reaction to that cold weather. It was also noted that we are holding up on replacing the feeder cables into the Adams Street Facility pending issuance of permits by the City of Hoboken.

The Commissioners next considered the list of resolution as follows:

- A. 16-016, authorizing the payment of bills in a total of \$1,085,000.00 from the operating funds, \$1,271,000.00 from the capital fund and \$175,000.00 in emergency expenditure which were FEMA related should be reimbursed and connection review expenses of \$10,700.00;
- B. 16-017, with regard to a sewer connection at 1410-1408 Palisades Avenue which was approved by the Facilities Review Board for a sixteen (16) unit residential structure generating 11,025 gallon per day with a connection fee of \$69,000.00.
- C. 16-018, extending the grant management services to Mr. Aloï and his company noting so far he has secured two grants worth \$350,000 for his \$24,000 contract of which \$10,000 will be reimbursed by FEMA. We are now attempting to apply for nine additional grants with the potential value of \$2,000,000.00 and the cost of the same should not exceed the \$48,400 fee being herein authorized and as approved by the Finance Committee.
- D. 16-019, the disposal of surplus property through a State contract and online public auction. This will include used office furniture, various mechanical equipment as set forth in the resolution. This also has been approved by Facilities Review Board.
- E. 16-020, authorizing the Executive Director and other staff as authorized representatives to the NJEIT loan program. This names the Executive Director and purchasing agent together with the Authority Engineer as representatives for the NJEIT so that they may secure documents to help us secure loans for next year's projects.
- F. 16-021, Engineering Design services for the River Road Treatment Plant Improvement Project.

This is design work directed to Hatch Mott MacDonald as one of our pre-qualified engineering firms to replace the boilers. This will be a phase in operation to insure

continuous running of the plant and it is amount not to exceed \$79,400.00 and it has been previously approved by the Facilities Review Board. Commissioner Gardiner inquired as to whether this was for design services only and Executive Director Wolff replied it was only for design services.

- G. 16-022, authorizing RFP for financial advisor. Executive Director Wolff explained that the finance committee is currently examining the defeasance of a portion of our outstanding debt. The benefits of the defeasance would be addressing an issue raised by the rating agent as to a high debt load, reducing debt service requirement which makes up 64% of our budget, and trying to cap rate increases in the future by reducing the interest expense. The Authority counsel has advised that the current financial advisor to the Authority is precluded because of a conflict of interest as it is a party to the loans therefore an outside firm must be retained. This RFP has been approved by the Finance Committee.

Chairman Kappock asked Mr. Wolff to explain what is a “defeasance”. Executive Director Wolff replied that the Authority has approximately \$379,000,000.00 in outstanding debt and that we’re looking to retire about \$10 to \$20,000,000.00 of that debt. Since the debt is for a specific amount of time and cannot be retired early, defeasance involves setting aside a calculated amount of money to pay the debt service through the projected retirement of the outstanding debt.

- H. 16-023. Annual staff salaries review. This resolution authorizes potential increases for staff based upon reviews conducted by the Authority management. The categories are for unsatisfactory review, a zero percent raise, for a satisfactory review, a cost of living allowance raise; for a good review a cost of living allowance raise plus 50%; and for superior review, a cost of living adjustment plus 100% for this year.

This was approved by the Finance Committee.

Commissioner Gardiner inquired as to whether there were any limits on the number or amount of superior reviews. A discussion among the Commissioners next ensued regarding the valuation of services provided by the Authority’s staff and remuneration therefore. It was determined not to follow the Standard Municipal Practice of giving flat raises but to base any raises or increases solely on performance. Commissioner Gardiner noted some of his experiences in the private sector which would be applicable to Authority employees.

- I. 16-024, a sewer connection fee for 3129 Summit Avenue, Union City, including 108 residential units with an anticipated 20,700 gallon per day flow and a \$547,000.00 connection fee.

On motion of Commissioner Velazquez, seconded by Commissioner Gardiner, the Consent Agenda was unanimously adopted.

Executive Director Wolff next explained to the Commissioners the background of the litigation with Hartz Mountain and 1500 Harbor Blvd. with regard to the W1234 solid floatables facility control project and the fact that counsel had advised that Hartz and 1500 Harbor Blvd. are considering dropping their case with a dismissal without prejudice. Counsel Leanza briefly addressed the Commissioners on this issue with his thoughts that based upon the proceedings to date before the Assignment Judge Bariso, it appeared that the Authority would be successful in its claim and that was probably the reason for the dropping of the suit in State's Superior Court but that both Hartz and 1500 Harbor Blvd. retained the right to sue in Federal District Court with regard to the issuance of a construction permit for the Authority's project by the Army Corps of Engineers.

Commissioner Gardiner advised the Commissioners as well as all others in attendance at the meeting that the City of Hoboken was conducting a meeting regarding potential plans for flood control projects in the City of Hoboken, all of which were near and dear to Authority's operations.

At approximately 7:15 p.m. on motion by Commissioner Velazquez, seconded by Commissioner Vargas it was unanimously resolved to adjourn the meeting.