



NEW JERSEY WATER SUPPLY AUTHORITY

P.O. BOX 5196 • CLINTON, N.J. 08809 • (908) 638-6121 • (908) 638-5241 (FAX)

Minutes of the Meeting of the New Jersey Water Supply Authority June 2, 2014

A regular meeting of the New Jersey Water Supply Authority was convened on June 2, 2014 at 2:00 P.M. in the Conference Room of the New Jersey Water Supply Authority's Canal Office located at 770 Bear Tavern Road, West Trenton, New Jersey.

As designated by Bob Martin, Commissioner New Jersey Department of Environmental Protection and Chair New Jersey Water Supply Authority, Fred Sickels, Director, Division of Water Supply and Geoscience, served as Acting Chair of the meeting and called the meeting to order.

Senior Deputy Attorney General Helene Chudzik read the statement required by the "Open Public Meeting Act".

Executive Director Henry S. Patterson took the roll call of the Authority members.

Present: Fred Sickels, Acting Chair
Susan Blew - by phone
Louis Mai
Steven Picco - absent
Shing-Fu Hsueh
Robert Iacullo - absent
Ellsworth Havens

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Oleg Kostin, New Jersey American Water
Frank Falco, Middlesex Water Co. & East Brunswick Township

Authority Staff Present:

Henry S. Patterson, Executive Director
Zenona I. Puć, Executive Secretary II
Edward Buss, Chief Engineer
Beth Gates, Director Finance & Administration
Marc Brooks, Project Engineer I
Paul McKeon, Manager Manasquan Water Supply System
Helene Chudzik, Senior Deputy Attorney General
Christopher Howard, Governor's Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Sickels asked for the approval of the minutes of the May 5, 2014 meeting. Mr. Mai moved the motion approving the Minutes as prepared and the motion was seconded by Dr. Hsueh. The Minutes of the May 5, 2014 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson stated that everyone has his report.

Mr. Patterson thanked all Commissioners and Authority staff for completing their Annual Financial Disclosure Statements by the May 15, 2014 deadline.

Mr. Patterson stated that Mr. Buss will report on the Canal Breach and Mr. Brooks will report on the work the Authority is doing on the Dams.

COMMUNICATIONS/CORRESPONDENCE

Mr. Patterson stated that there were no items of communications or correspondence in this month's agenda package.

UNFINISHED BUSINESS

Mr. Buss reported on the Manasquan Reservoir operations. Mr. Buss stated that work on the Manasquan Water Treatment Plant Upgrades continues. Mr. Buss reported that only final punch list work is pending. Mr. Buss stated that there are minor paperwork problems with the contractor working on the storage building. Mr. Buss stated that everything else is normal.

Mr. Buss reported on the Raritan Basin System and noted that the significant occurrence is the breach at the embankment of the Canal in South Bound Brook. Mr. Buss stated that the work is almost completed. Mr. Buss stated that a Portadam will be removed on Wednesday, June 4, and the project completed by the end of the week. Mr. Buss stated that while the Canal was down staff took the opportunity to plug up the 1.0 Mile Wastegate, the structure is inoperable and has breached twice in the past.

Mr. Patterson stated that Mr. Klipstein was not present at the meeting but that everyone has a copy of his report. Mr. Patterson stated that the Watershed Unit will be moving to the Medlyn House in Clinton in the fall thereby vacating the Somerville location and saving rental costs.

NEW BUSINESS

Ms. Gates provided the background information on the Unaudited Financial Statements for the Nine Months ending March 31, 2014. Ms.

Gates stated that the Financial Statements show favorable results of operations. There is a net income of \$843,591 resulting in a positive change in net assets of .7 percent from June 30, 2013. Ms. Gates stated that going forward in an effort to conserve paper the Unaudited Financial Statements will be available on the Authority's website at www.njwsa.org and only a limited number of paper copies will be distributed as required. Ms. Gates stated that no Board action is required.

Ms. Gates stated that a budget packet was distributed. Ms. Gates reviewed the budgets for the Manasquan Reservoir and the Raritan Basin Systems for Fiscal Year 2015. Ms. Gates indicated that the Board proposed the rates supporting these budgets at its February 3, 2014 meeting and is scheduled to adopt the rates without change at its July 7, 2014 meeting. Ms. Gates stated that the existing rates for the Manasquan System are in effect for FY2015 and the new rate of \$246.00 per mg for the Raritan System will become effective August 4, 2014. Ms. Gates reviewed the total budget for each system stating that the Manasquan Reservoir System's budget will increase by approximately \$200,000 but that the rates supporting the budget will not increase for FY2015. The Raritan Basin System's budget in total is going up 2.0 percent or approximately \$342,000 mostly attributable to capital equipment needs. Ms. Gates highlighted the proposed Fiscal Year 2015 budgets for the above referenced systems. The rates supporting these budgets will be presented to the Board for final adoption at the July 7, 2014 meeting. Two separate resolutions are included for consideration and approval is recommended. Mr. Havens moved the Resolutions authorizing the Proposed FY2015 Budgets for the Manasquan Reservoir System and the Raritan Basin System. Ms. Blew seconded this motion. All Authority members approved of the Resolutions.

Mr. Brooks provided the background information on the Resolution authorizing the Executive Director to amend Contract WSA-C13022 with Gannett Fleming, Inc. for professional services required for further engineering studies on the Round Valley and Spruce Run embankments and to reassemble the Technical Review Board. Mr. Brooks stated that Gannett Fleming is nearing completion of their original contract and associated amendments. Mr. Brooks explained that the Technical Review Board met between April 28 and May 1. It is recommended that timely investigative actions be taken at Round Valley and Spruce Run. The Authority staff has reviewed the fee proposal of Gannett Fleming Inc. and recommends that the contract be amended by a reimbursable cost not to exceed amount of \$1,203,621 bringing the new contract total to \$1,331,756. Mr. Brooks stated that the Executive Director has indicated that funds are available for this contract from the Capital Improvement Funds. Mr. Havens moved the Resolution authorizing the Executive Director to amend Contract WSA-C13022 with Gannett Fleming, Inc. for professional services required for further engineering studies on the Round Valley and Spruce Run embankments and to reassemble the Technical Review Board. Mr. Mai and Dr. Hsueh seconded this motion. All Authority members approved of the

Resolution.

COMMITTEE REPORTS

- (a) Personnel - no report
- (b) Finance - no report
- (c) Consumers - no report
- (d) Audit - no report - Mr. Patterson stated that Audit Committee will meet at the July 7, 2014 meeting.
- (e) Public Participation - no report
- (f) Capital Projects - no report
- (g) Insurance - no report
- (h) Watershed Lands Acquisition Committee - no report

PUBLIC COMMENT

There was no comment from the Public.

EXECUTIVE SESSION

There was no need for an Executive Session.

Dr. Hsueh moved to adjourn the meeting. Mr. Mai seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:17 P.M.

I hereby certify this to be a true and original copy of the June 2, 2014 New Jersey Water Supply Authority meeting minutes.



Zenona I. Puć
Executive Secretary II