

Minutes of the Meeting of  
New Jersey Water Supply Authority  
of  
April 3, 2006

A regular meeting of the New Jersey Water Supply Authority was convened on April 3, 2006 at 2:00 P.M. in the Conference Room of the New Jersey Water Supply Authority's Administration Building located at 1851 Route 31, Clinton, New Jersey.

As designated by New Jersey Department of Environmental Protection Commissioner Lisa P. Jackson, Gary Sondermeyer, served as Acting Chair of the meeting and called the meeting to order.

Deputy Attorney General Helene P. Chudzik read the statement required by the "Open Public Meeting Act". Executive Director Henry S. Patterson III took the roll call of the Authority members.

Present: Gary Sondermeyer, Acting Chair  
Louis Mai  
Susan Blew  
Shing-Fu Hsueh  
Steven J. Picco

Absent: Donald Correll  
Robert J. Iacullo

Interested Parties Present:

Charles Engler, Friends of Spruce Run  
Ann Parsekian, Friends of Spruce Run  
David Shope, Citizen Lebanon Township  
Ronald Williams, Middlesex Water Co. & East Brunswick Twp.  
Arthur Roswell, Friends of Spruce Run

Authority Staff Present:

Henry S. Patterson III, Executive Director  
Joanna K. Stem, Executive Secretary  
Edward Buss, Chief Engineer  
Beth Gates, Director Finance & Administration  
Michael Citarelli, Chief Financial Officer  
Frank Scangarella, Dir. Contracts, Risk Mgmt & Legal Affairs  
Daniel Van Abs, Director Watershed Protection Unit  
Richard Famularo, Manager Manasquan Water Supply System  
Bill Bogosian, Manager Raritan Basin System  
Helene P. Chudzik, Deputy Attorney General  
Melissa Liebermann, Governor's Authorities Unit

A quorum existed for the transaction of Authority business.

## **APPROVAL OF THE MINUTES**

Acting Chair Sondermeyer asked for the approval of the minutes of the March 6, 2006 meeting. Dr. Hsueh moved the approval of the minutes. Mr. Mai seconded this motion. The minutes of the March 6, 2006 meeting were approved by the Board.

Acting Chair Sondermeyer informed the Board that today Executive Director Patterson's 3<sup>rd</sup> Anniversary at the Authority.

## **EXECUTIVE DIRECTOR'S REPORT**

Executive Director Patterson reported that though March was the driest March on record all of the reservoirs are near full.

## **COMMUNICATIONS/CORRESPONDENCE**

There were no items of Communications/Correspondence.

## **UNFINISHED BUSINESS**

Mr. Famularo reported that the Manasquan Reservoir is approximately 96% of full capacity, and that pumping into the reservoir started today and should continue for one week. Mr. Famularo stated that the rainfall for March in the Manasquan area was 1.17". All other operations at the Manasquan Reservoir System continued normally during the past month. Mr. Famularo stated that the installation of the security fencing at the inlet structure is complete and that this project was paid for by the Monmouth County Office of Emergency Management Homeland Security.

Mr. Citarelli provided the background information on the proposed rate adjustment for Fiscal Year 2007 and the Hearing Officer's Report for the Manasquan Reservoir System. The Public Hearing was held on February 8, 2006, and the public comment period closed on March 17, 2006. Mr. Citarelli stated that the proposed rates for the Manasquan System were set at \$833.27 per million gallons for the initial contracts and \$1,074.02 per million gallons for the delayed water purchase contracts. Mr. Mai, Hearing Officer provided his Hearing Officer's Report and stated that no one from the public attended the Public Hearing held on February 8, 2006 and recommended that the rate be approved. Mr. Mai moved the resolution adopting revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir Water Supply System, to become effective July 1, 2006 (regulations found at N.J.A.C. 7:11-4 et seq.). Mrs. Blew seconded this motion. All Authority members approved the resolution.

Mr. Famularo stated that all operations were normal during the month at the Water Treatment Plant/Transmission System. Mr. Famularo explained that several customer towns have elected to invoke the optional water use schedule for 2006, taking a reduced amount of water for several months

during lower demand months and opting for additional water during their peak demand months. Mr. Famularo discussed the optimization study and the Disinfectants and Disinfection Byproducts Rule Compliance Assistance.

Mr. Patterson stated that Larry Duff, who was the Superintendent at the Water Treatment Plant, retired and Tom D'Aloia and Don LeRoy are now working with Mr. Famularo at the Water Treatment Plant. Mr. Patterson also stated that the Authority would be meeting with the new Chairman of the Monmouth County Improvement Authority and the customer towns to review the operations and budget of the Water Treatment Plant.

Mr. Bogosian informed the Board that Spruce Run Reservoir is at 100% of capacity and is spilling, and Round Valley Reservoir is 89.9% of capacity. Mr. Bogosian also informed the Board that the electrical inspection at the South Branch Pumping Station has not revealed any deficiencies. Mr. Bogosian discussed the pumping process including electrical costs and scheduling. Mr. Bogosian reported that all activities at the Raritan Basin System have been normal during the past month.

Mr. Citarelli provided the details and the background information on the proposed rate adjustment for Fiscal Year 2007 and the Hearing Officer's Report for the Raritan Basin System. The Public Hearing was held on February 3, 2006 and the public comment period ended on March 14, 2006. Mr. Citarelli stated that the proposed rate was set at \$228.00 per million gallons. Acting Chair Sondermeyer, Hearing Officer provided his Hearing Officer's Report and stated that correspondence was received from three individuals advocating a higher component for land acquisition. Mrs. Blew moved the resolution adopting revisions to the Schedule of Rates, Charges and Debit Service Assessments for the Sale of Water from the Delaware and Raritan Canal - Spruce Run/Round Valley Reservoirs System, to become effective July 1, 2006 (regulations found at N.J.A.C. 7:11-2.1 et seq.). Dr. Hsueh seconded this motion. All Authority members approved the resolution.

Dr. Van Abs stated that his monthly report reflected the current activities of the Watershed Protection Unit.

#### NEW BUSINESS

Mr. Famularo provided the background information on the resolution to replace the granular activated carbon at the Water Treatment Plant. Mr. Famularo stated that staff recommends that the low bid be rejected for failure to submit required documentation regarding the proposed carbon. The low bidder also failed to provide any references or business history of previous jobs. Mr. Famularo stated that the staff is recommending accepting the second low bid, which was found to be responsive to the bid requirements. Mr. Mai moved the Resolution authorizing the award of a contract for the replacement of 40,000 pounds of granular activated carbon at the Manasquan Water Treatment Plant to Carbon Activated Corp. of

Orchard Park, New York for a lump sum of \$26,950. Dr. Hsueh seconded this motion. All Authority members approved the resolution.

Mr. Buss provided the background information on the resolution for a contract to install an automated gate on the Spruce Run Access Road. Mr. Buss explained that five bids were received. This project was a priority recommendation from the vulnerability assessment of the Spruce Run Reservoir. Mrs. Blew moved the Resolution authorizing the award of a contract for the installation of an automated gate on the Spruce Run Access Road to Hazelet Security Fence from Point Pleasant, New Jersey in the amount of \$26,940. Mr. Mai seconded this motion. All Authority members approved the resolution.

Mr. Patterson provided the background information on the resolution for a water supply contract with Washington Township Municipal Utilities Authority. Mr. Patterson explained that this is for an uninterrupted supply of .164 million gallons daily of which .025 mgd is deemed consumptive for public community supply purposes. Mr. Patterson stated that the Washington Township Municipal Utilities Authority received the necessary permit from the Department of Environmental Protection. Mr. Mai moved the Resolution authorizing the execution of a contract with Washington Township Municipal Utilities Authority (Morris County) for uninterrupted supply from the Raritan Basin System. Dr. Hsueh seconded this motion. All Authority members approved the resolution.

Mr. Scangarella provided the background information on the resolution for the submission of a loan application to the New Jersey Environmental Infrastructure Financing Program. Mr. Scangarella explained that the Authority utilized the NJEIFP for the last three years, and that this resolution would authorize the Authority's participation in the 2006 program and submission of an application to the Local Finance Board. Mr. Scangarella stated that the Authority would finance approximately \$4.1 million for eight (8) critical watershed parcels. These parcels are located in High Bridge, and Califon, Bethlehem and Union Township in Hunterdon County and in Washington Township in Morris County. Acting Chair Sondermeyer asked about the timing of the application to the NJEIFP. Mr. Scangarella reviewed the deadlines and timing of the application. Dr. Hsueh moved the Resolution authorizing submission of a loan application to the New Jersey Environmental Infrastructure Financing Program (NJEIFP) to finance certain Authority critical watershed parcel acquisitions and an application to the Local Finance Board for approval of Authority participation in the NJEIFP. Mr. Mai seconded this motion. All Authority members approved the resolution.

## **COMMITTEE REPORTS**

- (a) Personnel - no report
- (b) Finance - no report
- (c) Consumers - no report
- (d) Public Participation - no report
- (e) Capital Projects - no report
- (f) Insurance - no report
- (g) Watershed Lands Acquisition Committee - no report

## **PUBLIC COMMENT**

Charles Engler, Friends of Spruce Run asked if the State Climatologist had any predictions for the weather conditions during the next several months.

Arthur Roswell, Friends of Spruce Run asked for clarification on the pumping into Round Valley Reservoir.

David Shope, property owner in Lebanon Township asked questions regarding the details of the resolution for the Washington Township MUA water contract, the transfer of water out of the Raritan Basin to northern New Jersey, and the Confluence Project.

## **EXECUTIVE SESSION**

D.A.G. Chudzik read the statement to go into Executive Session. Mr. Mai moved the resolution to go into Executive Session, which Mr. Picco seconded. All Authority members approved the motion.

## **RETURN TO PUBLIC SESSION**

Dr. Hsueh moved the resolution that the meeting be placed back into public session. Mr. Picco seconded this motion. All Authority members approved the motion.

Dr. Hsueh moved the Resolution authorizing execution of a contract to purchase a fee simple interest in a 93+ acre critical watershed parcel in Union Township. Mrs. Blew seconded this motion. All Authority members approved the resolution.

Mr. Mai moved to adjourn the meeting. Dr. Hsueh seconded the motion. All Authority members approved the motion. The meeting was adjourned at 2:44 P.M.

I hereby certify this to be a true and original copy of the April 3, 2006 New Jersey Water Supply Authority meeting minutes.

/s/Joanna K. Stem\_\_\_\_\_  
Joanna K. Stem