

Minutes of the Meeting of  
New Jersey Water Supply Authority  
of  
August 1, 2005

A regular meeting of the New Jersey Water Supply Authority was convened on August 1, 2005 at 2:00 P.M. in the Conference Room of the New Jersey Water Supply Authority's Manasquan Water Supply System Administration Building located on Hospital Road, Wall, New Jersey.

As designated by Commissioner Bradley M. Campbell, Gary Sondermeyer, Chief of Staff, served as Acting Chair of the meeting and called the meeting to order. Mr. Sondermeyer announced that it is the 15<sup>th</sup> Anniversary of the Manasquan Water Supply System.

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  
Donald Correll  
Shing-Fu Hsueh  
Steven J. Picco - by telephone

Interested Parties Present:

Ronald Williams, Middlesex Water Company  
John Draikiwicz, Esq., Gibbons, Del Deo, Dolan, Griffinger & Vecchione  
Vincent Damidian, Monmouth County Water Resources Assoc.

Authority Staff Present:

Henry S. Patterson III, Executive Director  
Joanna K. Stem, Executive Secretary  
Michael Citarelli, Chief Financial Officer  
Edward Buss, Chief Engineer  
Bill Bogosian, Manager Raritan Basin System  
Frank Scangarella, Director of Contracts, Risk Mgt & Legal Affairs  
Richard Famularo, Manager Manasquan Water Supply System  
Helene P. Chudzik, Deputy Attorney General  
Josh Ben-Asher, 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 June 6, 2005 meeting. Dr. Hsueh moved for the approval of the minutes and this motion was seconded by Mr. Correll. The minutes of the June 6, 2005 meeting were approved by the Board.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Patterson stated that releases have been made from the Spruce Run/Round Valley Reservoirs. Mr. Patterson also stated that Mercaidian Group began the audit of fiscal year 2005. The Authority has again received the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2004. This is the thirteenth consecutive year the Authority received this award. Mr. Patterson announced that Acting Governor Codey made a direct appoint of Dan Van Abs to the Clean Water Council. Mr. Patterson reported that a presentation would be made by John Draikiwicz, the Authority's Bond Counsel on the refinancing of the Manasquan Reservoir Loan Notes. Mr. Patterson provided background information on this refinancing.

Mr. Draikiwicz, Gibbons, Del Deo, Dolan, Griffinger & Vecchione, the Authority's Bond Counsel, stated that the bond resolution was pre-approved by the Authority at the Authority's June 6, 2005 meeting. He stated that since that time the legal documents have been finalized. Mr. Draikiwicz provided an overview of the Preliminary Official Statement (POS). Mr. Draikiwicz explained some of the necessary documents needed from the Authority's Manasquan Reservoir water customers and the customer's auditors for the POS, the compilation of this information has delayed the offering, which is now scheduled for August 4, 2005. He further explained what would occur during the next several weeks in order to finalize this refinancing.

**COMMUNICATIONS/CORRESPONDENCE**

There were no items of Communications/Correspondence.

**UNFINISHED BUSINESS**

Mr. Patterson asked Richard Famularo to provide the operations report for the Manasquan Water Supply System. Mr. Famularo reported that the Manasquan Reservoir is approximately 95% of full capacity. Mr. Famularo stated that rainfall has been normal for the past month and the storage in the reservoir was above normal. Mr. Famularo stated that the Annual Dam Safety

Inspection was completed with the New Jersey Dam Safety Section, and all inspected sites were found to be in satisfactory condition. A pipeline inspection was completed on the prestressed concrete cylinder pipe that is under Interstate 195; the inspected pipe is in a satisfactory condition. Mr. Famularo reported that operations at the Manasquan Reservoir System continued normally during the past month. Mr. Sondermeyer asked if the Dam Safety Section's Domestic Security checklist was included in the inspection. Mr. Buss stated that that inspection was done separately.

Mr. Famularo reported on the Water Treatment Plant/Transmission System. All operations continue normally at the Water Treatment Plant. Mr. Famularo stated that there was a compliance inspection performed at the treatment plant on May 3, 2005 and an "acceptable" rating was issued.

Bill Bogosian reported on the Raritan Basin System. He stated that water is being released from Spruce Round and Round Valley Reservoirs. Mr. Bogosian also stated that the repair work on the D & R Canal is in its final phase, but the dredging operations in the Canal will continue until the end of the summer. Mr. Bogosian reported that all other operations of the Raritan Basin System have been normal during the past month.

Mr. Patterson provided an updated on the Watershed Protection Unit stating that the contracts from the NJDEP were received for the new Lockatong and Wickecheoke Creek grant. Mr. Patterson reported that the signed contract with NRCS for the River Friendly Agriculture Nonpoint Source project was received.

#### NEW BUSINESS

Mr. Buss provided the background information on the resolution for the purchase of a slope mower for the Raritan Basin System. Mr. Buss explained this is a purchase for the replacement of an existing mower. This slope mower is being purchased under New Jersey State Contract with substantial savings. Mr. Correll moved the Resolution authorizing the award of a purchase order under State Contract #56360 for a replacement slope mower for the Raritan Basin System. Dr. Hsueh seconded this motion. All Authority members approved of the resolution. Mr. Sondermeyer asked what constitutes a slope mower, Mr. Buss explained that the wheels tilt and the body of the mower stays level when on a slope.

Executive Director Patterson stated that the next two

resolutions concern the Authority's financing for land acquisition programs. Mr. Patterson informed the Board that the Authority has the pre-approval letters signed by the Acting Governor and Treasurer that are needed for this financing.

Mr. Scangarella provided the background information on the resolution on the Fifth Supplemental Resolution and the Resolution authorizing the execution and delivery of Loan Agreements to be executed by the Authority and each of the New Jersey Department of Environmental Infrastructure Trust (EIT) and the State of New Jersey. Mr. Scangarella explained that this is the Authority's third year in the EIT financing program (EITFP). Mr. Scangarella explained that during the past two years the Authority has financed up to \$4,000,000 to the EITFP. Mr. Scangarella reviewed the annual payment obligations to the EITFP and the revenue in the Source Water Protection Fund. Mr. Scangarella reviewed the eight projects that are being considered for this financing. Mr. Mai moved the Fifth Supplemental Resolution to Delaware & Raritan Canal - Spruce Run/Round Valley Reservoirs System Bond Resolution. Mrs. Blew seconded this motion. All Authority members approved of the resolution.

Mr. Mai moved the Resolution Authorizing the execution and delivery of Loan Agreements to be executed by the New Jersey Water Supply Authority and each of the New Jersey Environmental Infrastructure Trust and the State of New Jersey, acting by and through the Department of Environmental Protection, and further authorizing the execution and delivery of an Escrow Agreement, all pursuant to the 2005 New Jersey Environmental Infrastructure Financing Program. Mr. Picco seconded this motion. All Authority members approved of the resolution.

Mr. Scangarella provided the background information on the resolution for the execution of the contract with United Water Lambertville. Mr. Scangarella explained that the application submitted to the Authority was for a total .490 MGD for a term of 20 years for potable and fire protection purposes in the City of Lambertville. United Water Lambertville's current supply is .2 MGD. No public comments were received and no Public Hearing was needed. Mrs. Blew moved the Resolution authorizing the execution of a contract with United Water Lambertville for an uninterruptible supply from the Raritan Basin System. Mr. Picco seconded this motion. All Authority members approved of the resolution.

Mr. Famularo provided a detailed Presentation on the Manasquan Water Treatment Plant Optimization Study Project.

**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**

Vincent Damidian, Chairman Monmouth County Water Resources Association (MCWRS) explained that the MCWRA has citizen members and that Richard Famularo is a citizen member of the MCWRA. Mr. Damidian stated that the MCWRA appreciates the information and expertise brought to the MCWRA by Mr. Famularo and appreciates his dedication and efforts to the MCWRA. Mr. Damidian also stated that he was the Colt's Neck member to the Manasquan Watershed Association and praised Dr. Van Abs work and efforts with the Manasquan Watershed Association.

**EXECUTIVE SESSION**

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

**RETURN TO PUBLIC SESSION**

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

Dr. Hsueh moved the Resolution authorizing the execution of a contract for the preservation of a 230-acre parcel in Lebanon Township, Hunterdon County. Mrs. Blew seconded this motion. All Authority members approved of the resolution.

Mr. Mai moved to adjourn the meeting. Dr. Hsueh seconded the motion. All Authority members approved of the motion. The

meeting was adjourned at 3:00 P.M.

I hereby certify this to be a true and original copy of the August 1, 2005 New Jersey Water Supply Authority meeting minutes.

          /s/Joanna K. Stem            
Joanna K. Stem