

Minutes of the Meeting of
New Jersey Water Supply Authority
of
May 2, 2005

A regular meeting of the New Jersey Water Supply Authority was convened on May 2, 2005 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 Commissioner Bradley M. Campbell, Gary Sondermeyer, Chief of Staff, 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
Susan Blew
Louis Mai
By telephone Shing-Fu Hsueh
By telephone Donald Correll
Steve Picco - absent

Interested Parties Present:

Ronald Williams, Middlesex Water Company &
East Brunswick Township
William G. Einthoven, Friends of Spruce Run
David Shope, Citizen Lebanon Township
Arthur E. Roswell, Friends of Spruce Run

Authority Staff Present:

Henry S. Patterson III, Executive Director
Joanna K. Stem, Executive Secretary
Michael Citarelli, Chief Financial Officer
Edward Buss, Chief Engineer
Frank Scangarella, Business Manager
Daniel Van Abs, Manager Watershed Protection
Bill Bogosian, Manager Raritan Basin System
Helene P. Chudzik, Deputy Attorney General
Sam M. Stanton, 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 April 4, 2005 meeting. Mr. Mai moved for the approval of the minutes and Mrs. Blew seconded this motion. The minutes of the April 4, 2005 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Patterson opened his Report stating that pictures are being circulated in the room showing the flood damage along the D & R Canal from the recent storms. Executive Director Patterson informed the Board that the Authority received the Hermia Lechner Award from the Hunterdon County Planning Board, for The Spruce Run Initiative Corridor Study. The Spruce Run Initiative Corridor Study was sponsored by the New Jersey Water Supply Authority, the Association of New Jersey Environmental Commissions (ANJEC), and the Spruce Run Initiative, members include the Townships of Bethlehem, Lebanon, and Union and Boroughs of Glen Gardner and High Bridge. This is the second year that the Watershed Protection Unit received the Hermia Lechner Award.

UNFINISHED BUSINESS

Mr. Buss reported on operations on the Manasquan Water Supply System. Mr. Buss stated that the Manasquan Reservoir is 100% of full capacity. Mr. Buss reported that the stand-by generator installation has been completed.

Mr. Buss reported on operations at the Water Treatment Plant/Transmission System. All other operations continue normally at the Water Treatment Plant. Mr. Buss stated that the contractor doing the GAC painting has started this project and the project is expected to be completed by the end of May.

Mr. Bogosian provided a report on the damage sustained to the D & R Canal. He reported on the damage to the stop planks and gate structure near Bull's Island. Mr. Bogosian also reported on the additional damage to the waste gate structure and the damage to the Portadam that was in place in front of the structure at Station 122+00. Mr. Bogosian reported on the damage to the canal between Prallsville and Stockton and stated that approximately 100' of the canal embankment was breached in this area.

Mr. Bogosian also stated that releases were made from Round Valley Reservoir to control the level. Mr. Bogosian reported that all other operations of the Raritan Basin System have been normal during the last month.

Mr. Buss stated that on Thursday April 28, 2005 the Request For Proposals (RFP) was issued for the Confluence Pipeline Pumping Station Water Supply Project. The RFP response is due on June 30, 2005.

Acting Chair Sondermeyer stated that the State of New Jersey did not reach the damage total threshold for FEMA reimbursement, but the individual damage threshold was reached.

Executive Director Patterson stated that the Authority recently received FEMA reimbursement for damage sustained from Hurricane Ivan. Mr. Patterson also stated that the significant repair of the canal breach was completed entirely by Authority staff. Mr. Patterson explained the process used to repair the canal breach. Mr. Patterson praised all of the Authority staff that participated in this major repair effort. One employee worked daily on the damage and repairs to Authority property, while his own home sustained substantial damage from the flooding.

Mr. Citarelli reported on the budgets for the Manasquan Reservoir System, the Water Treatment Plant, and the Raritan Basin System for Fiscal Year 2006. These are the proposed budgets, which will be formally presented by Resolution for adoption at the June 6, 2005 Authority meeting. Mr. Citarelli reviewed the water rates that have been previously approved that will be charged in the Manasquan System and the Raritan Basin System. Mr. Citarelli also reviewed the expenses and revenue that make up each budget and the fund balances of each budget. Mr. Citarelli informed the Board that the Water Treatment Plant operates on a calendar year budget, but since the costs are split and shared with the Monmouth County Improvement Authority, it is also necessary to produce a fiscal year budget.

Dr. Van Abs reported to the Board that the Watershed Unit along with the help of other Authority employees would be planting vegetation to improve the stream buffer along a section of the Mulhockaway Creek. This is a residential area where the stream buffer has been lost over time. Dr. Van Abs passed around a map that highlighted the municipalities where the Watershed Unit and its partners are working, through different grants, to complete municipal assessments. Dr. Van Abs reviewed resolutions received from additional municipalities that will participate in

this project. Acting Chair Sondermeyer asked about the type of plant materials that will be used for the planting, Dr. Van Abs stated that native species will be planted plus some larger trees.

NEW BUSINESS

Mr. Buss provided the background information on the Resolution for the rehabilitation of the canal embankment in Lawrence Township. Mr. Buss stated that six bids were timely received and opened on April 7, 2005. Mrs. Blew moved the Resolution authorizing the award of a construction contract for the rehabilitation of the Delaware and Raritan Canal embankment at Station 1516+05 Lawrence Township, Mercer County to H. C. Constructors, Inc. from Whitehouse Station, NJ in the amount of \$122,000.00. Mr. Mai seconded the motion. All Authority members approved of the motion.

Mr. Buss provided the background information on the Resolution for an engineering services contract for the rehabilitation of the Parkside Avenue Aqueduct in the City of Trenton. Mr. Buss provided some historical background on this aqueduct and discussed the repairs on this structure. Mr. Sondermeyer asked what the time frame would be for the completion of the work. Mr. Sondermeyer also asked if this was the only structure where the canal goes over the roadway. Mr. Buss stated that at Sullivan Way there is the same type of structure. Mr. Buss stated that investigation and design should be completed within one year. Mr. Sondermeyer moved the Resolution authorizing the award of a professional engineering services contract for rehabilitation of the Parkside Avenue Aqueduct on the Delaware and Raritan Canal in the City of Trenton, Mercer County to Gannett Fleming, Inc. of South Plainfield, NJ for an amount not to exceed \$147,915.00. Mr. Mai seconded the motion. All Authority members approved of the motion.

Mr. Buss provided the background information on the Resolution for the construction contract for the replacement of the elevator at the South Branch Pumping Station. Mr. Buss reported that an engineering consultant investigated the replacement of the elevator and following their investigation the consultant recommended that the elevator be replaced. The existing elevator includes an unprotected buried cylinder housing that is almost 40 years old. A hydraulic leak from the cylinder would result in an environmental cleanup and a possible safety hazard. Four bids were received and opened on March 22, 2005. Mr. Mai moved the Resolution authorizing the award of a construction contract for replacement of the elevator at the

South Branch Pumping Station to DeSapio Construction of Frenchtown, NJ for a lump sum and unit price cost of \$198,860.00. Mrs. Blew seconded the motion. All Authority members approved of the motion.

Mr. Scangarella provided the background information on the Resolution for the execution of water purchase contract with New Jersey American Water, Inc. Mr. Scangarella explained that this resolution would consolidate a number of agreements with NJAW and increase NJAW's total System diversions to 12.5 mgd and extending the contract term to June 30, 2031. Mr. Mai moved the Resolution authorizing Execution of a Water Purchase Contract with New Jersey American Water, Inc. for various amendments to its Manasquan Water Supply System water purchase contracts. Mrs. Blew seconded the motion. All Authority members approved of the motion.

Mr. Scangarella provided the background information on the Resolution for a loan application to New Jersey Environmental Infrastructure Financing Program (NJEIFP). This resolution would authorize the Authority to submit the application to the NJEIFP and to the Local Finance Board. Mrs. Blew moved the Resolution authorizing submission of a loan application to the 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 the motion. All Authority members approved of the motion.

Mr. Scangarella provided the background information on the Resolution for the purchase of a critical watershed parcel of land in the amount of \$411,000.00. The Authority's contribution of the purchase price would be \$115,667.00. The Morris Land Conservancy and the Green Acres are also partners in this purchase. Mr. Mai moved the Resolution authorizing the purchase of block 2301, lot 19.02 (formerly lot 19), Roxbury Township, Morris County, New Jersey, a 31+ acre parcel. Mrs. Blew seconded the motion. All Authority members approved of the motion.

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

Mr. Eithoven asked about the emergency generator. Mr. Buss that this emergency generator provides emergency power to the Manasquan Reservoir Administration Building.

Mr. Roswell, Friends of Spruce Run stated that the Hunterdon County Sailing Club will encourage their sailing club members to carry a cell phone so that they can report any unusual activity at the Spruce Run Reservoir. Acting Chair Sondermeyer stated that he called the United States Coast Guard regarding this program. He said he would check further with the Coast Guard Program on this program and get back to the club.

Mr. Shope questioned one of the items on the agenda and Mr. Buss explained that we advertised for an RFP for both the pipeline and pumping station. Mr. Shope asked how the project would be financed. Discussion was held on the pipeline and the confluence pump station project. Mr. Shope also asked about the safe yield model and Dr. Van Abs updated the Board of the safe yield model.

EXECUTIVE SESSION

There was no need for an Executive Session.

Mr. Mai moved to adjourn the meeting. Mrs. Blew seconded the motion, and this motion was unanimously approved. The meeting was adjourned at 2:47 P.M.

I hereby certify this to be a true and original copy of the May 2, 2005 New Jersey Water Supply Authority meeting minutes.

_____/s/Joanna K. Stem_____
Joanna K. Stem
Executive Secretary