

Minutes of the Meeting of the  
New Jersey Water Supply Authority

August 2, 2010

A regular meeting of the New Jersey Water Supply Authority was convened on August 2, 2010 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 Bob Martin, Commissioner New Jersey Department of Environmental Protection and Chair New Jersey Water Supply Authority, Assistant Commissioner John Plonski, served as Acting Chair of the meeting and called the meeting to order.

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

Present: John Plonski, Acting Chair  
Susan Blew - absent  
Louis Mai - by phone  
Shing-Fu Hsueh - by phone  
Robert Iacullo - by phone  
Steven J. Picco - by phone

Interested Parties Present:

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

Authority Staff Present:

Henry S. Patterson, Executive Director  
Zenona I. Puć, Administrative Assistant  
Beth Gates, Director Finance & Administration  
Edward Buss, Chief Engineer  
Richard Famularo, Manager Manasquan Water Supply System  
Julie Hajdusek, Property Administrator  
William Bogosian, Manager Raritan Basin System  
Helene P. Chudzik, Sr. Deputy Attorney General  
Maura Tully, Governor's Authorities Unit  
Robert Beinfield, Hawkins Delafield & Wood LLP, Bond Counsel

A quorum existed for the transaction of Authority business.

**APPROVAL OF THE MINUTES**

Acting Chair Plonski asked for the approval of the minutes of the June 7, 2010 meeting. Mr. Picco moved the motion approving the Minutes as prepared and the motion was seconded by Mr. Iacullo. The minutes of the June 7, 2010 meeting were approved by the Board.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Patterson noted that everyone has a copy of his report and asked if there were any questions.

**COMMUNICATIONS/CORRESPONDENCE**

There were no items of Communications or Correspondence.

**UNFINISHED BUSINESS**

Mr. Famularo reported on the operations for the Manasquan Water Supply System. Mr. Famularo stated that the Manasquan Reservoir is at 81% of full capacity following a month of no rain from June 9th through July 13th. Mr. Famularo stated that rainfall in June 2010 was below the historic average for the Manasquan drainage basin. Mr. Famularo stated that water demand has approached the system yield of the Manasquan Reservoir since New Jersey American Water has been taking water above their optional use amount. The Borough of Sea Girt has requested additional treated water due to a plant production problem associated with the borough's groundwater supply system. Mr. Famularo stated that the delivery of water to the customer communities continued without disruption throughout the month. Mr. Famularo stated that both construction projects, the Rehabilitation of the Ozone System and the Rehabilitation of Instrumentation and Control System are under way. Mr. Famularo stated that they will have a plant shut down in February and March 2011 to complete the two projects.

Mr. Famularo distributed a written synopsis of the "color" issues in the Manasquan River that intensifies during and following rain events. Mr. Famularo noted that the Authority is presently working with Rutgers University and the Freehold Soil Conservation District to determine what constituent(s) may be interacting with iron to cause the color changes.

Mr. Bogosian stated that the Spruce Run and Round Valley Reservoirs are at 95% of capacity. Low precipitation combined with high temperatures in June and early July necessitated unusually high releases being made from both the Spruce Run and Round Valley Reservoirs to satisfy record water withdrawals from the system by the water purveyors. The Ten Mile Pumping Station was operated on July 7th and 8th to transfer water from the

Raritan River to the Canal because of the demand on the Canal. No operational problems were encountered and the storage in the Reservoirs remains above average.

Mr. Patterson stated that Mr. Klipstein is not present today. Mr. Klipstein asked Mr. Patterson to report on the status of the investigation into the yellow coloration of the source water at the Manasquan River which Mr. Famularo highlighted during his report. Mr. Patterson stated that all other watershed protection related projects are moving along on schedule as detailed in Mr. Klipstein's operations report.

### **NEW BUSINESS**

Ms. Gates provided the background information on the Resolution for the 2010 Financing Program with the New Jersey Environmental Infrastructure Trust explaining the details of the loan. Ms. Gates stated that the Resolution's title reflects the amount determined to finance six (6) properties totaling close to \$3,360,000, but that one project will be deferred until next year. The actual bond would be closer to \$2,700,000. Ms. Gates turned the meeting over to Ms. Hajdusek and asked her to report on the properties. Ms. Hajdusek gave a brief description and explained each of the properties in detail. Mr. Mai moved the Resolution authorizing the issuance of not exceeding \$3,500,000 Subordinate Bonds (Delaware and Raritan System - Series 2010) of the New Jersey Water Supply Authority and providing for their sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and authorizing the execution and delivery of certain agreements in connection therewith. Mr. Picco seconded this motion. All Authority members approved the Resolution.

Mr. Buss provided the background information on the Resolution authorizing the award of a contract for the Cultural Resources Services for the Dredging of the Delaware and Raritan Canal from Kingston to Amwell Road, Franklin Township, Somerset County. Mr. Buss stated a Request for Proposals was advertised and five (5) consultants submitted proposals. The proposals were reviewed, and with approval of the Chair, Capital Projects Committee the top three rated firms were invited to submit fee proposals. Mr. Buss discussed the amounts of the fee proposals from the top three rated firms and the negotiation of the final total fee with the top ranked firm. Mr. Iacullo moved the Resolution authorizing the award of a contract for the Cultural Resources Services for the Dredging of the Delaware and Raritan Canal from Kingston to Amwell Road, Franklin Township, Somerset County to URS Corporation of Burlington, NJ for a cost not to exceed an amount of \$118,348.20. Mr. Hsueh seconded the motion. All Authority members approved the Resolution.

Mr. Buss provided background information on the Resolution authorizing the award of a contract for the Rehabilitation of the Workhouse and Rooster Coop Spillways on the Delaware and Raritan Canal in Hopewell Township, Mercer County and West Amwell Township, Hunterdon County. Mr. Buss explained that the spillways, built circa 1913, are similar in construction on the Canal side and are exhibiting extensive concrete deterioration and leakage through the deteriorated concrete that threaten the Canal's structural integrity and operability. Mr. Buss explained that advertisements for bids were published in three newspapers of general circulation and the advertisements were posted on the New Jersey Business Opportunities website and Authority's website. Ten (10) bids were received and opened. Mr. Buss provided the details of the amounts of the bids received and the engineering estimate for this project. Mr. Mai moved the Resolution authorizing the award of a contract for the Rehabilitation of the Workhouse and Rooster Coop Spillways on the Delaware and Raritan Canal in Hopewell Township, Mercer County and West Amwell Township, Hunterdon County to Adamsville Maintenance, Inc. from Bound Brook, NJ for a lump sum and unit price cost not to exceed the amount totaling \$1,409,615.29. Mr. Picco seconded the motion on the Resolution. All Authority members approved the Resolution.

Mr. Buss provided background information on the Resolution authorizing the Executive Director to amend Contract No. WSA-C07015 with Camp Dresser & McKee for Professional Engineering Services for the Rehabilitation of the Ozone System at the Manasquan Water Treatment Plant, Wall Township, Monmouth County. Mr. Buss explained that in the final stages of the design and in order to comply with the International Building Code, it was necessary to redesign the HVAC System to the Ozone Generator Room and adjacent Electrical Room. Mr. Buss explained that the Authority requested that the consultant submit a fee proposal and recommends that the contract of CDM be amended by a lump sum amount of \$29,300. Mr. Picco moved the Resolution authorizing the award of a contract to amend Contract No. WSA-C07015 with Camp Dresser & McKee for Professional Engineering Services for the Rehabilitation of the Ozone System at the Manasquan Water Treatment Plant, Wall Township, Monmouth County. Mr. Mai seconded the motion on the Resolution. All Authority members approved the Resolution.

Ms. Gates provided the background information on the Resolution authorizing the execution of a Renewal of a Risk Management Consulting Services Agreement. Ms. Gates explained that the Authority's insurance program is remarketed every three years and, in the interim years with the aid of its insurance consultant and insurance broker, the Authority negotiates favorable terms with incumbent underwriters. This Resolution

would authorize the execution of an amendment to its contract for risk management consulting services with Albert Risk Management Consultants for a one (1) year period in an amount not to exceed \$24,900. This amendment will bring the total contract to a reimbursable-cost-not-to-exceed amount of \$52,800. Ms. Gates explained that ARMC submitted the second year cost proposal in the amount not to exceed \$24,900 for general consulting services to assist the Authority in the placement of its March 2011 insurance program with incumbent underwriters and others. Mr. Mai moved the Resolution authorizing the renewal of the Authority's insurance program for the period of March 1, 2010 - February 28, 2011. Mr. Hsueh seconded the motion. All Authority members approved of this 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**

There were no comments from the public.

#### **EXECUTIVE SESSION**

Sr. D.A.G. Chudzik read the statement to go into Executive Session to discuss legal Matters. Mr. Iacullo moved the Resolution to go into Executive Session, which Mr. Mai seconded. All Authority members approved the motion.

#### **RETURN TO PUBLIC SESSION**

Mr. Hsueh moved the Resolution that the meeting be placed back into public session. Mr. Iacullo seconded the motion. All Authority members approved the motion.

Mr. Mai moved to adjourn the meeting. The motion was seconded by Mr. Hsueh and was approved unanimously. The meeting was adjourned at 2:55 P.M.

I hereby certify this to be a true and original copy of the August 2, 2010 New Jersey Water Supply Authority meeting minutes.

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Zenona I. Puć  
Administrative Assistant