

Minutes of the Meeting of the
New Jersey Water Supply Authority
February 4, 2008

A regular meeting of the New Jersey Water Supply Authority was convened on February 4, 2008 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 and New Jersey Water Supply Authority Chair Lisa P. Jackson, Gary Sondermeyer; served as Acting Chair of the meeting and called the meeting to order.

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

Present: Gary Sondermeyer, Acting Chair
Susan Blew
Shing-Fu Hsueh
Louis Mai
Robert Iacullo - by telephone
Absent: Donald Correll
Steven Picco

Interested Parties Present:
Oleg Kostin, New Jersey American Water
Charles Engler, Friends of Spruce Run
Arthur Roswell, Friends of Spruce Run
David Shope, Self

Authority Staff Present:
Henry S. Patterson III, Executive Director
Joanna K. Stem, Executive Secretary
Edward Buss, Chief Engineer
Richard Famularo, Manager Manasquan Water Supply System
Beth Gates, Director Finance & Administration
Michael R. Citarelli, Chief Financial Officer
Bill Bogosian, Manager Raritan Basin System
Helene P. Chudzik, Sr. Deputy Attorney General
Sonia Frontera, Gov. Authorities Unit - by telephone

A quorum existed for the transaction of Authority business.

APPROVAL OF THE MINUTES

Acting Chair Sondermeyer opened the meeting by asking for the approval of the minutes of the December 3, 2007 meeting. Mrs. Blew moved for the approval of the minutes as prepared and this motion was seconded by Mr. Mai. The minutes of the December 3, 2007 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson stated that Mr. Famularo would provide the details of the January 18, 2008 unplanned shutdown of the Manasquan Water Treatment Plant. Mr. Patterson reviewed the items in his Executive Director's Report.

COMMUNICATIONS/CORRESPONDENCE

Mr. Patterson stated that his Certification to the Director of the Governor's Authorities Unit certifying that the New Jersey Water Supply is in compliance with Executive Order #41 is included in this section.

UNFINISHED BUSINESS

Mr. Famularo provided the report on the Manasquan Water Supply System and Water Treatment Plant. Mr. Famularo reported that reservoir levels and rainfall were above average and pumping into the reservoir was taking place today.

Mr. Famularo also reported that there was an interruption of service at the Water Treatment Plant/Transmission System. On Friday January 18, 2008 the treatment plant was shut down because treatment could not be maintained through the filter units due to a failed coagulant feed line system. It was determined that the 1" feed line was packed solid with the coagulant. The plant was returned to service and resumed delivery of water to the customer communities on January 19, 2008 at approximately 3:45 PM. All customer communities were notified to use their ground water systems during the plant shutdown. Mr. Famularo also updated the board on the ozone system evaluation and repairs.

Mr. Bogosian reported that all activities in the Raritan Basin System continued normally during the past month.

Mr. Patterson updated the Board on the Watershed Protection Unit's activities. He stated that the EPA report was submitted as required by the end of December. Mr. Patterson also stated that staff continues fieldwork for the Lockatong/Wickecheoke and Manasquan projects.

NEW BUSINESS

Acting Chair Sondermeyer stated that at this annual organizational meeting the Authority elects a Vice Chair, Treasurer and Secretary, and the Committee structure and members are assigned. Acting Chair Sondermeyer requested that resolutions A, B, C & D be consolidated and moved with one motion and that he would nominate the entire slate. There was no opposition to Acting Chair Sondermeyer's requests.

Acting Chair Sondermeyer nominated Steven J. Picco for Vice Chair, Louis C. Mai for Treasurer and Shing-Fu Hsueh for Secretary. Mr. Sondermeyer stated the Committee assignments would stay the same. The Committees and their memberships are: Capital Projects Committee, Mr. Mai, Chair with Mr. Picco and Mrs. Blew members; Personnel Committee, Mrs. Blew, Chair with Mr. Correll and Mr. Picco as members; Insurance Committee, Dr. Hsueh, Chair with Mr. Mai and Mr. Correll as members; Audit Committee, Mr. Picco, Chair with Mr. Iacullo and Mrs. Blew as members; Finance Committee, Mr. Mai as Chair with Mr. Iacullo and Dr. Hsueh as members; Public Participation Committee, Mr. Iacullo, Chair with Mrs. Blew and Mr. Correll as members; and Watershed Lands Acquisition Committee, Mrs. Blew as Chair with Dr. Hsueh and Mr. Iacullo as members. Acting Chair Sondermeyer moved the Resolution electing Steven J. Picco Vice Chair of the New Jersey Water Supply Authority, the Resolution electing Louis C. Mai Treasurer of the New Jersey Water Supply Authority, the Resolution electing Shing-Fu Hsueh Secretary of the New Jersey Water Supply Authority and the Resolution concerning the Appointments of Committee Members for 2008. Dr. Hsueh seconded the motion. All Authority members approved of these resolutions.

Ms. Gates provided the background information on the Resolution authorizing the execution of a Contract Amendment for additional Uninterruptible Supply with New Jersey American Water (NJAW), formerly Elizabethtown Water Company, Inc. Ms. Gates explained that NJAW is requesting 2.5 million gallons per day increase for the Raritan System. The public hearing was held on December 14, 2007. No members from the public attended the public hearing, and there was no written correspondence received on the requested increase. Ms. Gates stated that NJAW's contract would now be 126.6 million gallons per day. Dr. Hsueh moved the Resolution authorizing the execution of a Contract Amendment for additional Uninterruptible Supply with New Jersey American Water, formerly Elizabethtown Water Company, Inc. Mr. Mai seconded this motion. All Authority members approved of this resolution.

Ms. Gates provided the background information on the Resolution Approving State Health Benefits Program Medical Plans for Authority Employees and Offering One Option of the Preferred Provider Organization - NJ DIRECT15 - under the New Jersey State Health Benefits Program Act. Ms. Gates explained that pursuant to union negotiations and subsequent legislation the State of New Jersey bid the administration of new medical plans. As a result of collective bargaining agreements, the Authority will offer only the NJDIRECT 15 as a choice of PPO, and AETNA, INC. and CIGNA Healthcare as HMO options. Dr. Hsueh moved the Resolution Approving State Health Benefits Program Medical Plans for Authority Employees and Offering One Option of the Preferred Provider Organization - NJ DIRECT15 - under the New Jersey State Health Benefits Program Act. Mr. Mai seconded this 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 - no report

PUBLIC COMMENT

Charles Engler, Friends of Spruce Run expressed his opinion on water levels during the winter months relative to milfoil in Spruce Run. Mr. Engler stated that this past summer is the first that he has seen milfoil as a problem since the summer of 1979.

Arthur Roswell asked the intentions of the Authority regarding the water levels in Spruce Run Reservoir. He also expressed his concerns regarding ozone used at the water treatment plant and the corrosion caused by ozone. Executive Director Patterson explained that the Authority is trying to release from Spruce Run Reservoir what is flowing into the reservoir in order to maintain the levels in Spruce Run Reservoir so that the milfoil would be subjected to freezing. Mr. Patterson also explained that the staff is very aware of the corrosiveness of ozone, along with the positive values of ozone. Mr. Famularo added that all of the

steel at the Manasquan Water Treatment Plant is stainless to combat the problem with the corrosion.

EXECUTIVE SESSION

Sr. D.A.G. Chudzik read the statement to go into Executive Session to discuss acquisition of land. Mr. Mai moved the resolution to go into Executive Session, which Acting Chair Sondermeyer seconded. All Authority members approved the motion.

RETURN TO PUBLIC SESSION

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

Mr. Mai moved the Resolution authorizing execution of a contract to purchase a fee simple interest in a 174+ acre critical watershed parcel in Franklin Township, Hunterdon County and the Resolution authorizing execution of a contract to purchase a fee simple interest in a 120+ acre critical watershed parcel in Lebanon Township, Hunterdon County. Mrs. Blew seconded this motion. All Authority members approved the motion

Mr. Mai moved to adjourn the meeting. Dr. Hsueh seconded this motion. All Authority members approved the motion. The meeting was adjourned at 2:47 P.M.

I hereby certify this a true and original copy of the February 4, 2008 minutes of the New Jersey Water Supply Authority meeting minutes.

Joanna K. Stem
Executive Secretary I