

Minutes of the Meeting of
New Jersey Water Supply Authority
of
May 5, 2008

A regular meeting of the New Jersey Water Supply Authority was convened on May 5, 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.

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 phone
Shing-Fu Hsueh - by phone
Absent: Robert J. Iacullo
Donald Correll
Steve Picco

Interested Parties Present:

William G. Einthoven, Friends of Spruce Run
David Shope, Citizen Lebanon Township
Charles Engler, 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
Kenneth Klipstein, Director Watershed Protection Unit
Bill Bogosian, Manager Raritan Basin System
Helene P. Chudzik, Sr. Deputy Attorney General

A quorum existed for the transaction of Authority business.

Acting Chair Sondermeyer presented Michael Citarelli with the Award Of Financial Reporting Achievement from the Government Finance Officers Association. This is the 16th consecutive year that this award has been presented to the New Jersey Water Supply Authority.

Acting Chair Sondermeyer asked for the approval of the minutes of the April 7, 2008 meeting. Mrs. Blew moved for the approval of the minutes and Dr. Hsueh seconded this motion. The minutes of the April 7, 2008 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson informed the Board that Spruce Run Reservoir is 100% of full capacity; Round Valley Reservoir is at 99.1% of full capacity, and the Manasquan Reservoir near full capacity. Mr. Patterson also stated that two property closings were held in April.

COMMUNICATIONS/CORRESPONDCE

No items were included in with Communication/Correspondence.

UNFINISHED BUSINESS

Mr. Buss reported on the Manasquan Reservoir System operations. He stated that the Manasquan Reservoir is near full capacity. Mr. Buss informed the Board that a meeting was held with companies that are interested in providing alternative energy supplies at the Manasquan Water Supply System.

Mr. Buss reported on the Water Treatment Plant/ Transmission System operations, stating that all operations continue normally at the Water Treatment Plant. Mr. Buss stated the annual granular activated carbon replacement project is in progress.

Mr. Bogosian reported that all operations of the Raritan Basin System have been normal during the last month.

Ms. Gates reported on the proposed budgets for the Manasquan Reservoir System, the Water Treatment Plant, and the Raritan Basin System for Fiscal Year 2009. No Board action is required this month on the proposed budgets. These proposed budgets will be formally presented by Resolution for adoption at the June 2, 2008 Authority meeting.

Mr. Klipstein reported on the activities of the Watershed Protection Unit stating that all of the grant-funded projects are doing well, and staff is currently working to secure additional grant funds for Raritan Basin Watershed projects. In the Manasquan River Watershed, grant funding opportunities are being pursued for the Mingamahone Marsh Bog Brook.

NEW BUSINESS

Ms. Gates provided the background information on the Resolution of the New Jersey Water Supply Authority, Determining the form and other details of its "Subordinate Note (Delaware and Raritan System) Relating to the Interim Financing 2008 Trust Loan Program of the New Jersey Environment Infrastructure Trust", to be Issued in the Principal Amount of up to \$800,000, and Providing for the Issuance and Sale of Such Subordinate Note to the New Jersey Environmental Infrastructure Trust, and Authorizing the Execution and Delivery of Such Subordinate Note by the New Jersey Water Supply Authority in Favor of the New Jersey Environmental Infrastructure Trust, All Pursuant to the New Jersey Environmental Infrastructure Trust Interim Financing 2008 Trust Loan Program. Ms Gates explained that this interim financing would be used to fund the Authority's contribution towards the purchase of the Mosle property. She explained that this acquisition was originally scheduled to be included in the 2007 EIFP loan program, but because of delays it was moved to the 2008 EIFP loan program. The Authority applied for this interim loan since this property is now scheduled to close in May. The necessary pre-approval letters from the Governor and Treasurer Offices have been received. Mrs. Blew moved the Resolution of the New Jersey Water Supply Authority, Determining the form and other details of its "Subordinate Note (Delaware and Raritan System) Relating to the Interim Financing 2008 Trust Loan Program of the New Jersey Environment Infrastructure Trust", to be Issued in the Principal Amount of up to \$800,000, and Providing for the Issuance and Sale of Such Subordinate Note to the New Jersey Environmental Infrastructure Trust, and Authorizing the Execution and Delivery of Such Subordinate Note by the New Jersey Water Supply Authority in Favor of the New Jersey Environmental Infrastructure Trust, All Pursuant to the New Jersey Environmental Infrastructure Trust Interim Financing 2008 Trust Loan Program. Dr. Hsueh seconded the motion. All Authority members approved of the resolution.

Mr. Buss provided the background information on the Resolution authorizing the award of a construction contract for the rehabilitation of the Delaware and Raritan Canal right embankment at Station 122+00 in Delaware Township, Hunterdon

County. Pictures of the project were included in the agenda package to provide the Commissioners with a better idea of proposed project. Mr. Buss provided background information on the project. Mr. Buss stated that letters inviting bids were sent to contractors, advertisements inviting bids were published in local newspapers and posted on the New Jersey Business Opportunities web site and on the Authority's web site. Thirteen people attended a mandatory pre-bid meeting. Five bids were received and opened. Mr. Buss discussed the mobilization and demobilization requirements and specifications. Authority staff recommends that the two low bids be considered legally non-responsive for failure to meet the aforementioned, material bid requirements for the project and therefore rejected. Mrs. Blew moved the Resolution authorizing the award of a construction contract for the rehabilitation of the Delaware and Raritan Canal right embankment at Station 122+00 in Delaware Township, Hunterdon County to Adamsville Maintenance, Inc. of Bound Brook, NJ in the amount of \$986,841.25. Mr. Sondermeyer seconded this motion. All Authority members approved of 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

Mr. Engler asked what type of alternative energy is the Authority looking into? Mr. Engler expressed his opinion on the property purchases, and asked about the proposed closing of certain State Parks and the reduction of the Parks work force.

Mr. Shope, Citizen of Lebanon Township asked about the location of the Mosle property purchase. Mr. Shope also asked if the Authority had property involved in the Town of Clinton's TDR swap. Mr. Shope stated that he has supported the Authority's land purchase program.

