

Minutes of the Meeting of the  
New Jersey Water Supply Authority

November 1, 2010

A regular meeting of the New Jersey Water Supply Authority was convened on November 1, 2010 at 2:00 P.M. in the Conference Room of the New Jersey Water Supply Authority's Clinton Administration Building, located at 1851 Route 31, Clinton, New Jersey.

As designated by Bob Martin, Commissioner New Jersey Department of Environmental Protection, Director, Division of Water Supply Michele Putnam, 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: Michele Putnam, Acting Chair  
Susan Blew  
Louis Mai  
Shing-Fu Hsueh - by phone  
Steven J. Picco  
Absent: Robert Iacullo

Interested Parties Present:  
Oleg Kostin, New Jersey American Water  
Frank Falco, Middlesex Water Company & East Brunswick  
Dave Shope, Self  
Charles Engler, Friends of Spruce Run  
Robert H. Barth, Canal Society of New Jersey

Authority Staff Present:  
Henry S. Patterson, Executive Director  
Zenona I. Puć, Administrative Assistant  
Edward Buss, Chief Engineer  
Beth Gates, Director Finance and Administration  
Michael Citarelli, Chief Financial Officer  
Helene P. Chudzik, Senior Deputy Attorney General

Richard Famularo, Manager Manasquan Reservoir System  
Bill Bogosian, Manager Raritan Basin System  
Kenneth Klipstein, Director Watershed Protection Program  
Julie Hajdusek, Property Administrator  
Johanna Barba Jones, Governor's Authorities Unit

A quorum existed for the transaction of Authority business.

#### **APPROVAL OF THE MINUTES**

Acting Chair Putnam opened the meeting by asking for the approval of the minutes of the October 4, 2010 meeting. Mr. Mai moved the motion approving the Minutes as prepared and the motion was seconded by Ms. Blew. The minutes of the October 4, 2010 meeting were approved by the Board.

#### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Patterson stated that everyone has a copy of his report. Mr. Patterson noted that the NJDEP issued a Statewide Drought Watch on September 8<sup>th</sup>. The drought watch was lifted on October 26<sup>th</sup> for most of the State with the exception of Monmouth and Ocean Counties. Mr. Patterson stated that October precipitation resulted in a leveling of reservoir levels. Mr. Patterson stated that the Delaware River Basin Commission declared a Lower Basin Drought warning on September 23<sup>rd</sup>. Among the actions and operational provisions that were automatically placed into effect during Lower Basin Drought Conditions is the reduction of New Jersey's Diversion from 100 mgd to 85 mgd. The warning was lifted as of November 1st.

#### **COMMUNICATIONS/CORRESPONDENCE**

Mr. Patterson stated that the Audited Financial Statements and Supplemental Information for year ending June 30, 2010 and the Schedules of Expenditures of Federal and State Awards for year ending June 30, 2010 (Single Audit) prepared by Mercadien, P.C., Certified Public Accountants are both available on the Authority's website at [www.njwsa.org](http://www.njwsa.org).

#### **UNFINISHED BUSINESS**

Mr. Famularo reported on the operations in the Manasquan Water Supply System. Mr. Famularo stated that the Manasquan Reservoir was 68.28% of capacity. Ms. Putnam asked what today's reservoir capacity is relative to typical for this time of year. Mr. Famularo explained that this time a year the Reservoir

should be between 85-95% of capacity. Maintenance staff continued working on the north toe weir box reconstruction. The project includes placing a new fiberglass cover on the concrete toe drain structure. As part of the project, landscape walls were constructed changing the contours around the weir structure to allow for better maintenance. New walkways will also be added to provide improved access to the toe drain weir and the dam penetration area.

Mr. Famularo stated that both the instrumentation and ozone projects at the MWTP are moving along. Progress meetings were held for both projects. Mr. Famularo stated that the plant shutdown will be from February 8, 2011 until March 23, 2011 for completion of the instrumentation and ozone projects. Mr. Famularo stated that on October 17th, the treatment plant had treatment process problems that resulted in a violation of rules for the Interim Enhanced Surface Water Treatment Rule for combined filter effluent water greater than 1 ntu turbidity. NJDEP had confirmed the rules violation and public notice was required within 30 days of the Authority's official notification to the customer communities that was available by October 26, 2010. All other operations at the Water Treatment Plant were normal and there were no other interruptions of service to our customer communities.

Mr. Famularo stated that the 2011 Calendar Year Budget for the Water Treatment Plant/Transmission System was presented to and approved by the Southeast Monmouth Municipal Utilities Authority.

Mr. Bogosian reported that among the actions and operational provisions that were automatically placed into effect during Lower Basin Drought Conditions, the Authority was required to limit diversions from the Delaware River to a running average of 85 mgd. The actual diversions during this period were 84 mgd. Mr. Bogosian reported that all other operations in the Raritan Basin System are continuing normally.

Mr. Patterson asked Mr. Buss to report on the Feasibility Assessment Study of Small/Low Impact Hydropower Generation at Spruce Run/Round Valley Reservoirs and the D&R Canal. Mr. Buss stated that GZA GeoEnvironmental, Inc. of Norwood, MA conducted a feasibility study at the Authority's facilities. Mr. Buss stated that reports on the feasibility of installing hydropower facilities at both the Reservoirs and Canal facilities have been submitted and reviewed. Mr. Buss gave a presentation on the Authority exploring hydropower generation at the Spruce Run and

Round Valley Reservoirs and at several locations along the D&R Canal. Mr. Patterson stated that the final reports will be on the Authority's website.

Mr. Klipstein stated that in addition to his report, Authority staff was interviewed for a segment on the Peters Brook stormwater reduction project by News 12 which aired on October 26<sup>th</sup>. Mr. Klipstein stated that the American Water Resources Association Annual National Meeting is being held in Philadelphia this week. Mr. Klipstein stated that the New Jersey and Delaware sections are hosting this annual meeting. Mr. Klipstein stated that Authority staff will be presenting papers at the meeting.

### **NEW BUSINESS**

Mr. Citarelli presented an overview of the proposed rates for both the Manasquan Reservoir System and Raritan Basin System that would be effective on July 1, 2011.

MANASQUAN WATER SUPPLY SYSTEM - Mr. Citarelli informed the Board that the proposed total rate for the initial water users is \$1,015.90 per million gallons, and the proposed total rate for the delayed water users is \$1,168.71 and that these rates represent no increase in the Operations and Maintenance, Source Water Protection and regular Debt Service Components over the current year. Mr. Citarelli further stated that the new component of the rate totaling \$35.42 per million gallons to repay the New Jersey Environmental Infrastructure Financing Program for the structure over the Reservoir Intake Pump Station is included in the proposed rates. The final copy of the Basis and Background was included with the agenda package, posted on the Authority's website and furnished to the water users in advance of an informal briefing meeting, which was held on October 7, 2010. There were no questions on the proposed rate changes and assessments for the Manasquan Water Supply System.

RARITAN BASIN SYSTEM - Mr. Citarelli also informed the Board that the proposed total rate for the Raritan Basin System is \$231.00 per million gallons, no increase over the current rate. The final copy of the Basis and Background was included with the agenda package, posted on the Authority's website and furnished to the water users in advance of an informal briefing meeting, which was held on October 8, 2010. There were no questions on the proposed rate changes and assessments for the Raritan Basin System.

Ms. Blew moved the Resolution authorizing publication of proposed changes in the Authority's Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System and the Resolution authorizing publication of proposed changes in the Authority's Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System. Mr. Mai seconded the motion for both resolutions. All Authority members approved the resolutions.

Executive Director Patterson discussed the Resolution for the 2011 Authority Meeting dates, times and locations. Mr. Picco moved the Resolution establishing the dates, times and locations for the Authority meetings scheduled in 2011. Mr. Mai seconded this resolution. All Authority members approved the resolution.

#### **COMMITTEE REPORTS**

- (a) Personnel - no report
- (b) Finance - no report
- (c) Audit - 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. Barth had a question on the presentation of the GZA report.

Mr. Engler commended the Authority for the work they do. Mr. Engler stated that he has become interested in all of the activities at the Canal and again commended the Authority for all their work in maintaining the Canal.

Mr. Shope expressed his disappointment that the Rate Structure for FY12 will remain the same for the Raritan Basin System. Mr. Shope asked if a study was conducted regarding the cost vs. benefits of converting the large pipes at Round Valley

to pressure again so that the Authority could take advantage of the head for the hydroelectric study. Mr. Shope expressed his opinion on drought conditions in the Highlands and actions that the State should take in a drought.

**EXECUTIVE SESSION**

Senior Deputy Attorney General Helene Chudzik read the statement to go into Executive Session to discuss legal matters. Mr. Mai moved the resolution to go into Executive Session, which Ms. Blew 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. Mr. Picco seconded this motion. All Authority members approved the motion.

I hereby certify this to be a true and original copy of the November 1, 2010 New Jersey Water Supply Authority meeting minutes.

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Zenona I. Puć  
Administrative Assistant