

Minutes of the Meeting of
New Jersey Water Supply Authority
of
April 2, 2007

A regular meeting of the New Jersey Water Supply Authority was convened on April 2, 2007 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 Lisa P. Jackson, Commissioner New Jersey Department of Environmental Protection and Chair New Jersey Water Supply Authority, 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
Louis Mai
Susan Blew
Shing-Fu Hsueh
Steven J. Picco
Absent: Robert J. Iacullo
Donald Correll

Interested Parties Present:

Charles Engler, Friends of Spruce Run
David Shope, Self
Ronald Williams, Middlesex Water Co. & East Brunswick Twp.
Oleg Kostin, New Jersey American Water
W. Einthoven, 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
Daniel Van Abs, Director Watershed Protection Unit
Richard Famularo, Manager Manasquan Water Supply System
Bill Bogosian, Manager Raritan Basin System
Helene P. Chudzik, Deputy Attorney General
Jim Carey, 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 March 5, 2007 meeting. Mr. Mai moved for the approval of the minutes as prepared and this motion was seconded by Mrs. Blew. The minutes of the March 5, 2007 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Patterson reported that the Authority received the American Council of Engineering Companies of New Jersey "Award for Engineering Excellence" for the Hoffman Park Stream Restoration Project and the South Branch Watershed Association's 2007 "Environmental Achievement Award".

COMMUNICATIONS/CORRESPONDENCE

A newspaper article on a River Friendly Farm was included in the Communications/Correspondence section.

UNFINISHED BUSINESS

Mr. Famularo reported that the Manasquan Reservoir is approximately 99% of full capacity after pumping into the reservoir started over the past weekend. Mr. Famularo stated that the Authority maintenance personnel worked on sediment removal from the Manasquan River. All other operations at the Manasquan Reservoir System continued normally during the past month.

Mr. Patterson stated that the Hearing Officer's Report for the Manasquan Reservoir System was included with the Agenda package. Commissioner Mai was the Hearing Officer at the Public Hearing held on February 9, 2007. Mr. Mai stated that he had nothing to add to his Hearing Officer's Report. Mr. Mai moved the resolution adopting revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System, to become effective July 1, 2007 (regulations found at N.J.A.C. 7:11-4 et seq.). Mrs. Blew seconded this motion. All Authority members approved the resolution.

Mr. Famularo stated that all operations were normal during the month at the Water Treatment Plant/Transmission System. Mr. Famularo explained that he attended a meeting with Tom D'Aloia, Supervisor of Operations that was held by the NJDEP on the Long-

Term 2 Enhanced Surface Water Treatment Rule. This was an information session was held to discuss the required compliance testing for this new rule. Mr. Patterson stated that a meeting was held with the towns to assist them of their requirements for the Stage 2 Disinfection By-Product Rule.

Mr. Bogosian reported that all activities at the Raritan Basin System have been normal during the past month.

Mr. Patterson stated that the Hearing Officer's Report for the Raritan Basin System was included with the Agenda package. Acting Chair Sondermeyer was the Hearing Officer at the Public Hearing held on February 2, 2007. Mr. Sondermeyer stated that comments were received from the public and water users regarding the rates. In response to the comments that were received, it was concluded that the Authority's proposed FY 2008 Capital Fund Component be reduced. Mr. Sondermeyer moved the resolution adopting revisions to the Schedule of Rates, Charges and Debit Service Assessments for the Sale of Water from the Raritan Basin System, to become effective July 1, 2007 (regulations found at N.J.A.C. 7:11-2.1 et seq.). Mr. Picco seconded this motion. All Authority members approved the resolution.

Dr. Van Abs stated that the New Jersey Department of Environmental Protection approved the new safe yield of 241 MGD for the Raritan Basin System from 225 MGD as previously measured. Dr. Van Abs stated that this is not a change to our water allocation permit or any other regulatory items; it is a recalculation of the safe yield.

NEW BUSINESS

Mr. Famularo provided the background information on the resolution to replace the granular activated carbon at the Water Treatment Plant. Discussion was held on the amount budgeted for this purchase and the process used to test the product when it is received from the vendor. Mr. Picco moved the Resolution authorizing the award of a contract for the replacement of 40,000 pounds of granular activated carbon at the Manasquan Water Treatment Plant to Carbon Activated Corporation of Orchard Park, New York for a lump sum of \$34,800. Dr. Hsueh 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 rehabilitation of the Parkside Avenue Aqueduct. Mr. Buss stated that this is a concrete structure that carries the D & R Canal over a roadway. The Parkside Avenue Aqueduct was repaired several times in the past. Mr. Buss described the repairs needed

to this structure. Eighteen bidders requested the bid documents, fifteen prospective bidders attended the mandatory pre-bid meeting and two bids were received. Mr. Mai moved the Resolution authorizing the award of a contract for the rehabilitation of the Parkside Avenue Aqueduct on the Delaware and Raritan Canal, City of Trenton to Allied Painting of Franklinville, NJ for a lump sum and unit cost price not to exceed \$1,338,364.00. Dr. Hsueh seconded this motion. All Authority members approved the resolution.

Mr. Buss provided the background information on the resolution authorizing the award of a construction contract for the roofing replacement at the Administration Building in Clinton Township. Mr. Buss explained the need to replace the roofing on both sections of the Administration Building and he also described the design of the new roofing system. Mrs. Blew moved the Resolution authorizing the award of a construction contract for the roofing replacement at the Administration Building in Clinton Township, Hunterdon County to Arch Concepts Construction of North Haledon, NJ for a lump sum and unit cost price not to exceed \$385,690.00. Mr. Picco seconded this motion. All Authority members approved the resolution.

Ms. Gates provided the background information on the resolution for the submission of a loan application to the New Jersey Environmental Infrastructure Financing Program. Ms. Gates explained that the Authority utilized the NJEIFP for the last four years, and that this resolution would authorize the Authority's participation in the 2007 program and submission of an application to the Local Finance Board. Ms. Gates stated that the Authority would finance approximately \$4,219,000 for seven (7) critical watershed parcels. These parcels are located in the Townships of Bethlehem, Clinton, Delaware, Kingwood in Hunterdon County and in Washington Township in Morris County. Ms. Gates reviewed the deadlines, the timing of the application and the administration fees. Mr. Mai moved the Resolution authorizing submission of a loan application to the New Jersey Environmental Infrastructure Financing Program (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. Picco seconded this motion. All Authority members approved 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 stated that there has been an increase in recreational activity and in boat storage rentals at the Spruce Run Reservoir. He attributes this to the high water levels in the reservoir.

Mr. Shope stated his view on the rate setting process. Mr. Shope handed a letter to Acting Chair Sondermeyer and Mr. Patterson.

Mr. Einthoven stated that he realizes many factors are considered and analyzed before pumping into Round Valley Reservoir, and also stated that he now agrees with the pumping program that the Authority has in place.

EXECUTIVE SESSION

D.A.G. Chudzik read the statement to go into Executive Session. Mr. Picco moved the resolution to go into Executive Session, which Mr. Mai 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.

Dr. Hsueh moved the Resolution authorizing execution of a contract to purchase a fee simple interest in a 43 + acre critical watershed parcel in Washington Township, Morris County, the Resolution authorizing execution of a contract to purchase a fee simple interest in a 311 + acre critical watershed parcel in Kingwood & Delaware Townships, Hunterdon County, the Resolution authorizing execution of a contract to purchase a fee simple interest in a 180 + acre critical watershed parcel in Delaware Township, Hunterdon County and the Resolution authorizing execution of a contract to purchase a fee simple interest in a

75+ acre critical watershed parcel in Kingwood Township, Hunterdon County. Mr. Picco seconded this motion. All Authority members approved the resolution.

Dr. Hsueh moved to adjourn the meeting. Mr. Mai seconded the motion. All Authority members approved the motion. The meeting was adjourned at 2:55 P.M.

I hereby certify this to be a true and original copy of the April 2, 2007 New Jersey Water Supply Authority meeting minutes.

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