

Minutes of the Meeting of the
New Jersey Water Supply Authority
January 8, 2007

A regular meeting of the New Jersey Water Supply Authority was convened on January 8, 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 New Jersey Department of Environmental Protection Commissioner and New Jersey Water Supply Authority Chair Lisa P. Jackson, Michele Putnam; 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 Meetings Act". Executive Director Henry S. Patterson III took the roll call of the Authority members.

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

Interested Parties Present:
Oleg Kostin, New Jersey American Water
Ronald Williams, Middlesex Water Company & East Brunswick Twp
W. Einthoven, 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
Beth Gates, Director Finance & Administration
Michael R. Citarelli, Chief Financial Officer
Daniel Van Abs, Director Watershed Protection Unit
Bill Bogosian, Manager Raritan Basin System
Helene P. Chudzik, Deputy Attorney General
Jim Carey, Gov. Authorities Unit
Chris Sotiro, Contracts Manager
Paula Dees, Property Administrator

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 December 4, 2006 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 4, 2006 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson opened his Report by informing the Board that Frank Scangarella resigned from his position at the Authority and is working at New Jersey Environmental Infrastructure Trust. Mr. Patterson also stated that there would be an Audit Committee meeting held immediately following the Authority meeting. Mr. Patterson informed the Board that the Authority has received a check in the amount of \$892,669 from FEMA representing most of the Authority's expenses in repairing the significant damage from the June 2006 flooding. Mr. Patterson also reported that two property closings were held the week of December 26, 2006.

COMMUNICATIONS/CORRESPONDENCE

Mr. Patterson stated that his Certification to Matthew Boxer, 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. Buss provided the report on the Manasquan Water Supply System and Water Treatment Plant. Mr. Buss reported that the New Jersey Department of Environmental Protection (NJDEP) - Division of Water Supply renewed the water allocation permits for the Manasquan Reservoir System. The allocation permits are issued for a ten-year period effective on January 1, 2007. Mr. Buss also reported that there was no interruptions of service at the Water Treatment Plant/Transmission System. The Authority submitted the results of the coagulant changes tested at the Water Treatment Plant for several years, to NJDEP for a change to our water treatment process permit, and the NJDEP has issued a permit approving the changes.

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

Dr. Van Abs updated the Board on the Watershed Protection Unit's activities. Dr. Van Abs stated that the Authority has forwarded a final submittal to the Division of Watershed Management for additional funding to implement the D&R Canal Nonpoint Source Plan. He also mentioned that Authority staff completed modifications to the Hoffman Park stream restoration project, which seems to be working well despite the heavy rains.

NEW BUSINESS

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

Acting Chair Putnam nominated Steven J. Picco for Vice Chair, Louis C. Mai for Treasurer and Shing-Fu Hsueh for Secretary. Mr. Mai 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 and the Resolution electing Shing-Fu Hsueh Secretary of the New Jersey Water Supply Authority. Mrs. Blew seconded the motion. All Authority members approved of these resolutions.

Mr. Patterson stated the Committee assignments are needed for 2007. 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. Mr. Picco moved the Resolution concerning the Appointments of Committee Members for 2007. Dr. Hsueh seconded this motion. All Authority members approved of this resolution.

Ms. Gates provided the background information on the resolution to Elect to Offer the State of New Jersey's a Long-Term Care Insurance Plan to certain state employees. Ms. Gates informed the Board that the State of New Jersey has offered Long-Term Care coverage since 2002 to certain state employees. The plan is offered to employees and retirees at no cost to either the state or local employers. Prudential Insurance Company is the vendor that the State contracted with to offer the insurance. Mr. Mai moved the Resolution to Elect to Offer the State of New

Jersey's Long-Term Care Insurance Plan to Employees and Retirees. Mr. Picco and Mrs. Blew seconded this motion. All Authority members approved of this resolution.

Dr. Van Abs provided the background information on the Resolution authorizing the Executive Director to enter into an agreement with New Jersey Institute of Technology. Dr. Van Abs explained that the NJIT applied for a Section 319(h) grant from NJDEP for the development of a Watershed Restoration Plan for the Neshanic River Watershed. The Authority will provide in-kind services for this project. Mr. Picco moved the Resolution authorizing the Executive Director to execute an agreement with the New Jersey Institute of Technology for the Section 319(h) project: Developing a Watershed Restoration Plan for the Neshanic River Watershed for a commitment by the Authority of \$10,600 of in-kind services to the project. Mrs. Blew seconded this motion. All Authority members approved of this resolution.

Dr. Van Abs provided the background information on the Resolution authorizing the Executive Director to enter into an agreement with Union Township. Dr. Van Abs explained that Union Township, with the Authority as one of several partners, applied for a Section 319(h) grant from NJDEP for the development of a Watershed Restoration Project Plan for the Sidney Brook Watershed. The NJDEP selected the grant proposal as submitted by Union Township. Dr. Van Abs further stated that the Authority would provide field assistance during the project and would be reimbursed for its work. Mrs. Blew moved the Resolution authorizing the Executive Director to execute an agreement with Union Township for the Section 319(h) project: Developing a Watershed Restoration Plan for the Sidney Brook Watershed for a commitment by the Authority to provide \$16,751 of contractual services to the project. Mr. Picco seconded this motion. All Authority members approved of this resolution.

Dr. Van Abs provided the background information on the Resolution formally endorsing the River-Friendly Farm Certification and Recognition Program. Dr. Van Abs explained that the Authority previously contracted with the North Jersey Resource Conservation & Development Council to develop and implement the River-Friendly Farm Program. Dr. Van Abs stated that the purpose of the Program was to promote and support the benefits of efforts by the agricultural community within the Raritan River. This Resolution authorizes the Executive Director to execute a formal endorsement of the Program to NJRC&DC. Mrs. Blew moved the Resolution formally endorsing the River-Friendly Farm Certification and Recognition Program. Mr. Picco seconded this motion. Mrs. Blew, Mr. Picco, Mr. Iacullo, Dr. Hsueh and Acting Chair Putnam approved of this resolution. Mr. Mai abstained from voting.

Mr. Buss provided the background information on the Resolution for the award of a construction contract for the rehabilitation of the spillway at Station 26+00 on the Delaware and Raritan Canal. Mr. Buss explained that bid documents were sent to twenty-two prospective bidders and four bids were received and opened. Authority staff and the design engineer, Dewberry reviewed the bids that were received. Mr. Picco moved the Resolution authorizing the award of a construction contract for the rehabilitation of spillway at Station 26+00 on the Delaware and Raritan Canal, Delaware Township, Hunterdon County with Vollers Excavating & Construction, Inc. of North Branch, NJ for a lump sum and unit cost price not to exceed \$1,059,155.00. Mr. Mai seconded this motion. All Authority members approved of this resolution.

Mr. Buss provided the background information on the Resolution for the award of a construction contract for the overtopping protection for the No Name Dam No. 31. Mr. Buss explained that bid documents were sent to twenty-four prospective bidders and nine bids were received and opened. Authority staff and the design engineer Buck Seifert & Jost reviewed the bids that were received. Mr. Buss further explained that this dam is also the access road into the Authority's South Branch Pumping Station. Discussion was held regarding the ownership of the dam, along with the NJDEP Dam Safety Section, Clinton Township and the Authority's involvement in this project and the partners' share of the cost of the project. Mr. Buss stated that the State considers this a High Hazard Dam. Mr. Mai moved the Resolution authorizing the award of a construction contract for the overtopping protection for No Name Dam No. 31, Clinton Township, Hunterdon County, with J. A. Alexander, Inc. of Bloomfield, NJ for a lump sum and unit cost price not to exceed \$1,792,812.00. Mr. Picco seconded this motion. All Authority members approved of this resolution.

Mr. Buss provided the background information on the Resolution for the award of a professional services contract for non-destructive testing and a management report for the Round Valley Force Main. Mr. Buss explained that since 1999 the pipeline has been sonic/ultrasonic non-destructive tested twice by the same vendor. This testing provides an early prediction of signs of deterioration of individual pipe sections. Mr. Buss stated that two sections of pipe were replaced in 2003 and 2005 after testing determined structural deficiencies. This testing is part of the Authority's maintenance and evaluation process for the Round Valley Force Main. Mr. Mai stated that the Authority did receive approval in accordance with Executive Order #37 to award this professional services contract without competitive bidding. Mr. Mai moved the Resolution authorizing the award of a professional services contract for non-destructive testing and a

pipeline management report of the Round Valley Force Main with NDT Corporation of Worcester, Massachusetts for a reimbursable-cost-not-to-exceed amount of \$94,186.80. Mr. Picco 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

Mr. Einthoven asked about the reservoir at the South Branch Pumping Station. He asked if it could be made larger so that more could be pumped into Round Valley when there is low or no flow in the South Branch of the Raritan River.

Mr. Roswell asked if the Authority had any plans to pump into Round Valley Reservoir.

Mr. Shope asked about increasing the size of holding pond at the South Branch Pumping Station. Mr. Shope also asked who is Mr. Scangarella's replacement. Mr. Shope asked about the cost to benefit analysis on Resolution G & J that were previously adopted and how are these projects justified. Mr. Shope questioned what is the benefit received from these grants. Mr. Shope also questioned the State's contribution to the repair of the No Name Dam No. 31. Mr. Shope asked if the Authority advertised its Public Hearing for the Rate Adjustment.

Mr. Picco moved to adjourn the meeting. Mr. Mai seconded and approved this motion unanimously. The meeting was adjourned at 2:40 P.M.

I hereby certify this a true and original copy of the January 8, 2007 minutes of the New Jersey Water Supply Authority meeting minutes.

Joanna K. Stem