

Minutes of the Meeting of
New Jersey Water Supply Authority
of
September 11, 2006

A regular meeting of the New Jersey Water Supply Authority was convened on September 11, 2006 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
Steven J. Picco
Shing-Fu Hsueh - by telephone
Robert Iacullo - by telephone
Absent: Louis Mai
Donald Correll

Interested Parties Present:
Oleg Kostin, N. J. American Water
Charles Engler, Friends of Spruce Run
Arthur Roswell, Friends of Spruce Run
David Shope, Citizen Lebanon Township

Authority Staff Present:
Henry S. Patterson III, Executive Director
Joanna K. Stem, Executive Secretary
Beth Gates, Director Finance & Administration
Edward Buss, Chief Engineer
Frank Scangarella, Director of Contracts, Risk Mgt & Legal Affairs
Richard Famularo, Manager Manasquan Water Supply System
Daniel Van Abs, Director Watershed Protection Unit
Michael Citarelli, Chief Financial Officer
Kathy Hale, Senior Watershed Protection Specialist
Helene P. Chudzik, Deputy Attorney General

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 August 7, 2006 meeting. Mr. Picco moved for the approval of the minutes and this motion was seconded by Mrs. Blew. The minutes of the August 7, 2006 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson stated that Mr. Buss would review the canal rehabilitation projects and Kathy Hale will provide a presentation on the Hoffman Park stream restoration project. Mr. Patterson asked if there were any questions on his report and Mrs. Blew asked what damage are the deer causing. Mr. Patterson stated the deer are eating the vegetation on the dam and this would cause erosion.

COMMUNICATIONS/CORRESPONDENCE

There were no items of Communications/Correspondence included in the agenda package.

UNFINISHED BUSINESS

Mr. Patterson asked Mr. Famularo to provide the operations report for the Manasquan Water Supply System. Mr. Famularo reported that the Manasquan Reservoir is at elevation 101.3' which is approximately 90% of full capacity. Mr. Famularo stated that the Manasquan Reservoir received three treatments of copper sulfate to control algae growth during for this summer season. A formal dam inspection is scheduled for the middle of September. This formal dam inspection is completed once every three years by an outside consultant. French and Parrello of Wall, NJ will do this inspection.

Mr. Famularo reported on the Water Treatment Plant/Transmission System. All operations and delivery continue normally at the Water Treatment Plant. Mr. Famularo stated a permit application would be submitted to the Bureau of Safe Drinking Water for a permanent change to the primary coagulant from aluminum sulfate alum to a polyaluminum chloride product. This primary coagulant change has been tested since August 2005, and the Bureau of Safe Drinking Water has been involved in the change process.

Mr. Patterson asked Mr. Buss to provide the report on the Raritan Basin System. He reported that all operations continue

normally in the Raritan Basin System. Mr. Buss also reported that the recorded precipitation from the Tropical Storm Ernesto was 1.73 inches at the Spruce Run gauge and 5 inches at the Manasquan Reservoir gauge. Mr. Buss stated that the contractor completed the work on the canal embankment rehabilitation downstream of the bridge in Stockton and now the contractor is working on the embankment rehabilitation upstream of Stockton. Mr. Buss stated that two bids were received for the rehabilitation project on the canal embankment at Station 122+00. The engineer's estimate for this project submitted by Lichenstein Associates was under one million dollars, and the two bids received were \$1.5 million and up. Mr. Buss stated that he felt this is another indication that construction costs are increasing. Mr. Buss stated that a contract will not be awarded for this project at this time, and that the Authority will rebid the project in the spring of 2007.

Mr. Patterson reviewed the smaller projects that were completed by Authority employees on the D & R Canal. Mr. Patterson stated that more debris was brought into the Canal during the June storm than any other storm.

Dr. Van Abs stated that the Watershed Protection Unit is starting to focus on fiscal year 2008 for grant applications. The Department of Environmental Protection has invited the Authority to submit a full formal grant application for implementation of the D&R Canal Nonpoint source Plan. Dr. Van Abs also stated that the Watershed Protection Unit would be working on a second grant application to the EPA.

Mr. Patterson provided a brief background on the stream restoration project and introduced Ms. Hale who gave a PowerPoint presentation on the Hoffman Park Stream Restoration project.

Ms. Hale started the presentation by stating that the Hoffman Park project is at Exit 12 off US Route 78 on one of the branches of the Mulhockaway Creek. Ms. Hale explained the reasons for the project, the design and permit applications and construction procedures. Discussion was held after the presentation.

NEW BUSINESS

Dr. Van Abs provided the background information on the resolution authorizing an agreement with NJDEP for the Phase II implementation of the D & R Canal Tributary Assessment & Nonpoint Source Management Project. Dr. Van Abs explained we are seeking authorization to accept the grant and enter into an agreement with DEP for this purpose. Dr. Van Abs stated that DEP would provide approximately \$1 million or more in funding from the

Corporate Business Tax appropriation of State Fiscal Year 2007. The exact amount will be provided by DEP later. Mrs. Blew moved the Resolution authorizing the Executive Director to execute an agreement with New Jersey Department of Environmental Protection regarding the project: Phase II Implementation of the Delaware & Raritan Canal Tributary Assessment & Nonpoint Source Management Project, Somerset County, New Jersey. Mr. Picco seconded this motion. All Authority members approved the resolution.

Mr. Patterson stated that the next resolution was for a water purchase contract with Roxiticus Golf Club. There were no questions on the contract or the resolution. Mr. Picco moved the Resolution authorizing the Executive Director to negotiate and execute a contract with the Roxiticus Golf Club for uninterruptible service from the Raritan Basin System. Mrs. Blew seconded this motion. All Authority members approved the resolution.

Mr. Scangarella provided the background information on the resolution authorizing the acquisition of Block 19, Lot 30 & 68 in High Bridge Borough. The purchase price for Block 19, Lot 68 is approximately \$674,000. High Bridge Borough is a 50% partner in this acquisition and the Authority will acquire a fee simple interest in the property as a tenant in common with the Borough. Mr. Scangarella stated that the property owner has agreed to convey Block 19, Lot 30 at no cost. Mr. Picco moved the Resolution authorizing the acquisition of Block 19, Lot 30 and 68 in High Bridge Borough, Hunterdon County. Mrs. Blew seconded this motion. All Authority members approved the resolution.

Mr. Famularo provided the background information on the resolution authorizing the execution of a one-year purchase agreement for 360,000 pounds of polyaluminum chloride for the Manasquan Water Treatment Plant. Mr. Famularo explained that two bids were received and opened on August 25, 2006. Mr. Picco moved the Resolution authorizing the Executive Director to enter into a one-year purchase agreement for Polyaluminum Chloride for the Manasquan Water Treatment Plant, Wall Township to Delta Chemical Company, Baltimore Maryland for \$49,680.00. Mr. Iacullo seconded this motion. All Authority members approved the resolution.

Mr. Buss provided the background information on the resolution to ratify the actions of the Executive Director in awarding a contract for the emergency repairs of the 2005 storm damage to the western embankment of the D & R Canal. Mr. Buss explained that two bids were received and opened on August 15, 2006. Mr. Picco moved the Resolution ratifying the actions of the Executive Director awarding a contract for the emergency rehabilitation of the western Canal embankment in Stockton

Borough, Hunterdon County to Vollers Excavating & Construction of North Branch, NJ for a lump sum and unit cost price not to exceed \$447,975. Mrs. Blew 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 complimented the Authority on its schedule of releases from Spruce Run Reservoir. Mr. Engler reviewed his findings of attendance at the Spruce Run Reservoir Recreation Area relative to water levels at the reservoir.

Mr. Shope had several questions on the Hoffman Park Stream Restoration project relative to the cost to benefit parameters. Mr. Shope also had several questions on the details of the Roxiticus Golf Club contract for uninterruptible service from the Raritan Basin System.

Mr. Roswell had questions on the copper sulfate treatment at the Manasquan Reservoir. Mr. Famularo explained the treatment process of application of copper sulfate at the Manasquan Reservoir. Mr. Roswell also questioned the purpose of the stream restoration at Hoffman Park relative to flows into Spruce Run Reservoir.

EXECUTIVE SESSION

There was no need for an Executive Session.

Mr. Picco moved to adjourn the meeting. Mrs. Blew seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:50 P.M.

I hereby certify this to be a true and original copy of the September 11, 2006 New Jersey Water Supply Authority meeting minutes.

Joanna K. Stem
Executive Secretary