

Minutes of the Meeting of
New Jersey Water Supply Authority
of
April 4, 2005

A regular meeting of the New Jersey Water Supply Authority was convened on April 4, 2005 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 Commissioner Bradley M. Campbell, Gary Sondermeyer, Chief of Staff, 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
Donald Correll - by telephone
Shing-Fu Hsueh - by telephone
Steven J. Picco

Interested Parties Present:

Charles Engler, Hunterdon Sailing Club
David Shope, Citizen Lebanon Township
Ronald Williams, Middlesex Water Company

Authority Staff Present:

Henry S. Patterson III, Executive Director
Joanna K. Stem, Executive Secretary
Michael Citarelli, Chief Financial Officer
Edward Buss, Chief Engineer
Bill Bogosian, Manager Raritan Basin System
Frank Scangarella, Business Manager
Daniel Van Abs, Manager Watershed Protection
Richard Famularo, Manager Manasquan Water Supply System
Helene P. Chudzik, Deputy Attorney General - by telephone

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 7, 2005 meeting. Mr. Mai moved for the approval of the minutes and this motion was seconded by Mr. Picco. The minutes of the March 7, 2005 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Patterson reported that there was record flooding on the Delaware River from the rainfall received over the weekend of April 2 and 3, 2005. The Authority's Canal Office staff was monitoring the condition of the D & R Canal over the weekend. Executive Director Patterson informed the Board that the D & R Canal and the Delaware River were one and the same between Prallsville and Lambertville from the high flows. Mr. Patterson stated that there have been meetings regarding the refinancing of the current Manasquan Reservoir debt. Executive Director Patterson also updated the Board on the recent property closings.

COMMUNICATIONS/CORRESPONDENCE

There was one item of Communications/Correspondence on the Highlands.

UNFINISHED BUSINESS

Executive Director Patterson asked Richard Famularo to provide the operations report for the Manasquan Water Supply System. Mr. Famularo reported that the Manasquan Reservoir is approximately 99% of full capacity. Mr. Famularo reported that operations at the Manasquan Reservoir System continued normally during the past month. Mr. Famularo also updated the Board on the Water Treatment Plant and stated that there has been no interruptions of service to our customers from the treatment plant. Mr. Famularo stated that the project to replace the last granular activated carbon contactor would be started within the next two weeks.

Michael Citarelli provided the background information on the proposed rate adjustment for Fiscal Year 2006 and the Hearing Officer's Report for the Manasquan Reservoir System. The Public Hearing was held on February 10, 2005, and the public comment

period closed on March 21, 2005. Mr. Citarelli stated that the proposed rates for the Manasquan System were set at \$895.01 per million gallons for the initial contracts and \$1,164.26 per million gallons for the delayed water purchase contracts. Mr. Mai, Hearing Officer provided his Hearing Officer's Report and stated that no one from the public attended the Public Hearing held on February 10, 2005 and recommended that the rate be approved. 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 Water Supply System, to become effective July 1, 2005 (regulations found at N.J.A.C. 7:11-4 et seq.). Mr. Picco seconded this motion. All Authority members approved of the resolution.

Mr. Bogosian reported that all activities at the Raritan Basin System have been normal during the past month prior to the heavy rainfall on April 2 & 3, 2005.

Mr. Citarelli provided the details and the background information on the proposed rate adjustment for Fiscal Year 2006 and the Hearing Officer's Report for the Raritan Basin System. The Public Hearing was held on February 4, 2005 and the public comment period ended on March 21, 2005. Mr. Citarelli stated that the proposed rate was set at \$215.00 per million gallons. Acting Chair Sondermeyer, Hearing Officer provided his Hearing Officer's Report and stated that one member of the public attended the Public Hearing requesting a higher component for land acquisition. Mr. Sondermeyer also stated that correspondence was received from three individuals and that correspondence, advocating a higher component for land acquisition, was included in his Report. Acting Chair Sondermeyer moved the resolution adopting revisions to the Schedule of Rates, Charges and Debit Service Assessments for the Sale of Water from the Delaware and Raritan Canal - Spruce Run/Round Valley Reservoirs System, to become effective July 1, 2005 (regulations found at N.J.A.C. 7:11-2.1 et seq.). Mr. Mai seconded this motion. All Authority members approved of the resolution.

Dr. Van Abs updated his report by stating that an article about the Raritan Basin Project was included in the March issue of the League of Municipalities magazine. Dr. Van Abs briefly reviewed a letter from the Division of Watershed Management at DEP indicating that they recommended another grant to the watershed program.

NEW BUSINESS

Dr. Van Abs provided the background information on the resolution for professional engineering services for the Mulhockaway Creek Stormwater Management Project. Dr. Van Abs explained the details of this multidisciplinary project, which includes five major tasks. Dr. Van Abs also explained the proposal process, stating that 23 firms attended the mandatory pre-bid meeting and nine proposals were received. Mr. Picco moved the Resolution authorizing the award of a contract for professional engineering services: Mulhockaway Creek Stormwater Management Project - 319(h) Grant RFP WSA R05024 with TRC Omni Environmental Corporation of Princeton, NJ for an amount not to exceed \$110,000. Mrs. Blew seconded this motion. All Authority members approved of the resolution.

Dr. Van Abs provided the background information on the resolution for professional engineering services for the Cedar Grove Brook Regional Stormwater Management Plan. Dr. Van Abs stated that the primary purpose of this contract is to conduct the monitoring that will be necessary to provide data into a model. The model will be built in-house. Dr. Van Abs also explained the proposal process, stating that 23 firms attended the mandatory pre-bid meeting and nine proposals were received. Mr. Picco moved the Resolution authorizing the award of a contract for professional engineering services: Cedar Grove Brook Regional Stormwater Management Project - 319(h) Grant RFP WSA R05026 to TRC Omni Environmental Corporation of Princeton, New Jersey for an amount not to exceed \$75,000. Mr. Mai seconded this motion. All Authority members approved of the resolution.

Dr. Van Abs provided the background information on the New Jersey Department of Environmental Protection 319h Grant in the amount of \$237,290. The Authority and the Natural Resource Conservation Service will each match part of the amount of this grant with in kind services. Dr. Van Abs stated that the focus of the grant is to develop a watershed restoration and protection plan for the 54 square miles of the Lockatong and Wickecheoke Creeks' drainage area. Mr. Mai moved the Resolution authorizing the Executive Director to execute an agreement or contract with the NJDEP regarding the project for Watershed Restoration and Protection Plan for the Lockatong and Wickecheoke Creek Watersheds, Hunterdon County, New Jersey at a total grant amount of \$237,920. Mr. Picco seconded the motion. All Authority

members approved of the resolution.

Mr. Buss provided the background information on the resolution for a construction contract to replace a section of pipe on the Round Valley Force Main. Mr. Buss explained that after several non-destructive studies, it was recommended by our consultant that this section of pipe be replaced. Mr. Buss informed the Board that seven bids were received for this project. Mrs. Blew moved the Resolution authorizing the award of a construction contract for the replacement of pipe section no. 42 on the Round Valley Force Main to Trevcon Construction of Liberty Corner, NJ for a lump sum cost of \$234,000. Dr. Hsueh seconded the motion. All Authority members approved of the resolution.

Mr. Buss provided the background information on the resolution for a contract for demolition of five farm buildings on property the Authority is purchasing. There is asbestos-containing materials at this site. Discussion was held with regard to the asbestos material on this site and the disposition of that material. Mr. Mai asked if title to this property has been transferred to the Authority. Mr. Scangarella stated that the transfer of title will take place and then the demolition will take place. Mrs. Blew moved the Resolution authorizing the award of a contract for demolition of farm buildings on Block 36 Lot 26 and Block 57 Lots 53 and 43 in Lebanon Township, Hunterdon County with D&S Restoration of Paterson, New Jersey for a lump sum cost of \$49,500. Mr. Mai seconded the motion. All Authority members approved of the resolution.

Mr. Scangarella provided the background information on the New Jersey Environmental Infrastructure Trust's (NJEIT) interim loan program. Mr. Scangarella further explained that the NJEIT has agreed to modify some of the program's requirements to accommodate the Authority. Discussion was held relative to the requirements of NJEIT. Mr. Mai moved the Resolution authorizing the issuance of Project Notes of the New Jersey Water Supply Authority in connection with the Interim Financing 2005 Trust Loan Program of the New Jersey Environmental Infrastructure Trust in the amount of \$4,000,000. Dr. Hsueh seconded the 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

Charles Engler representing the Hunterdon Sailing Club talked about an article from the Star Ledger regarding a post 911 Coast Guard Security Program, Americas Waterway Watch. Mr. Engler read from the article, "under this program recreational boaters are asked to keep an eye out for something out of the ordinary." Mr. Engler stated that the Hunterdon Sailing Club would be willing to take part in this type activity. Acting Chair Sondermeyer stated that he would look into this.

David Shope, property owner in Lebanon Township asked how the land acquisition money was holding out. Executive Director Patterson stated that the program is working out very well, and that there will be sufficient funds to proceed with the Authority's current land acquisition plans. Mr. Shope also inquired about the effectiveness of stormwater management in other areas of the State.

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 of 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 of the motion.

Mr. Picco moved the Resolution authorizing the execution of a contract for the preservation of a 78.5± acre property in Bedminster Township, Somerset County. Mrs. Blew seconded this motion. All Authority members approved of the motion.

Mr. Mai moved to adjourn the meeting. Mr. Picco seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:53 P.M.

I hereby certify this to be a true and original copy of the April 4, 2005 New Jersey Water Supply Authority meeting minutes.

 /s/Joanna K. Stem
Joanna K. Stem