

Minutes of the Meeting of
New Jersey Water Supply Authority
of
December 5, 2005

A regular meeting of the New Jersey Water Supply Authority was convened on December 5, 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 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
Robert Iacullo
Shing-Fu Hsueh
Absent: Steven Picco

Interested Parties Present:

Oleg Kostin, New Jersey American
Ronald Williams, Middlesex Water Co. & East Brunswick Twp.
W. G. Einthoven, Friends of Spruce Run
Dave Shope, Lebanon Township Resident

Authority Staff Present:

Henry S. Patterson III, Executive Director
Joanna K. Stem, Executive Secretary
Edward Buss, Chief Engineer
Beth Gates, Director Finance & Administration
Frank Scangarella, Director Contracts, Risk Management & Legal Affairs
Daniel Van Abs, Director Watershed Protection Unit
Bill Bogosian, Manager Raritan Basin System
Amy Shallcross, Sr. Watershed Protection Specialist
Rita Nagy, Principal Accountant
Helene P. Chudzik, Deputy Attorney General
Paula Dees, Property Administrator

A quorum existed for the transaction of Authority business.

APPROVAL OF THE MINUTES

Acting Chair Sondermeyer opened the meeting by asking for the approval of the minutes of the November 7, 2005 meeting. Mr. Mai moved for the approval of the minutes as prepared and this motion was seconded by Mrs. Blew. The minutes of the November 7, 2005 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson stated that the Draft 2005 Annual Report has been sent to the Board members and requested that they return any comments to him. The 2005 Annual Report will be sent for printing next week. Mr. Patterson thanked everyone for attending the mandatory training required by Executive Order 41.

COMMUNICATIONS/CORRESPONDENCE

There were no items in Communications/Correspondence.

UNFINISHED BUSINESS

Mr. Patterson asked Mr. Buss to provide the report on the Manasquan Water Supply System. Mr. Buss reported that the operations in the Manasquan Water Supply System are normal. The Manasquan Reservoir is currently 90% of full capacity. There will be pumping into the reservoir from the river, which will increase the reservoir to 100% of full capacity. The annual cleaning of the intake pump station is scheduled.

Mr. Buss also reported on the Water Treatment Plant/Transmission System, stating that all operations continue normally at the Water Treatment Plant with no unplanned interruptions to the water customers.

Mr. Bogosian reported that pipe section #42 located in the force main from the South Branch Pump Station to the Round Valley Reservoir has been removed and replaced. On December 13, 2005, this section of pipe will be tested. Mr. Bogosian updated the Board on the dredging of the Canal. To date approximately 4,000 yards of material has been removed from the Canal. Depending on the weather this project should be finished in approximately one week. All operations are currently in the standard winter mode and are normal.

Dr. Van Abs reported on two major projects that will be finalized this month. The Delaware & Raritan Canal Non-Point Source Report was submitted to the NJDEP, minor comments have been received back from the NJDEP, the Watershed Protection Unit modified the

Report and resubmitted to NJDEP. The final version of the Report should be received shortly from the NJDEP. The approval of this watershed restoration and protection plan qualifies the Watershed Protection Unit to be eligible for federal nonpoint source funds through the NJDEP for implementations of the projects in the report. Dr. Van Abs provided background information on a combined product, the Safe Yield Model and Operations Model for the Raritan Basin System.

Ms. Shallcross gave a Presentation on the Safe Yield Model for the Raritan Basin System. This is a system's model that can be used for more than the evaluation of the safe yield. Ms. Shallcross reviewed the data gathered to prepare the model. Dr. Van Abs stated that this model provides two things: it is an operations model and it provides a sense of safe yield. Based on the model, the Raritan Basin System has a safe yield of 241 MGD (including 65 for the D&R Canal) and the Confluence Project would add 47 MGD to the total safe yield, for a total of 288 MGD.

Dr. Van Abs stated that on December 14, 2005 a training program for Department of Public Works Officials in the Raritan Basin on improved uses on road maintenance materials, primarily salt. Dr. Van Abs described the use of brine on roadways and the timing of the application of the brine solution.

NEW BUSINESS

Rita Nagy, Principal Accountant explained the Unaudited Financial Report for the period ending September 30, 2005. Ms. Nagy explained that there was normal distribution of this report, and there are no unusual activities and no receivable problems. Ms. Nagy also stated that the 2005 Annual Report would be presented to the Government Finance Officers Association for consideration of the Achievement for Excellence in Financial Reporting.

Dr. Van Abs provided the background information on the resolution authorizing an agreement with the Somerset County Engineering Department. The Watershed Protection Unit identified two major Somerset County facilities where stormwater management improvements would benefit source water quality for Authority customers. Dr. Van Abs stated that the facilities are the recycling center and the vehicle maintenance center; both facilities are located in Bridgewater Township. Mr. Iacullo moved the Resolution authorizing the Executive Director to execute an agreement or contract with the Somerset County Engineering Department concerning the USEPA Watershed Protection Initiative Grant for the Raritan River Basin. Dr. Hsueh seconded the motion. All Authority members approved of this Resolution.

Mr. Bogosian provided the background information on the resolution authorizing the award of an electrical testing contract at the South Branch Pumping Station. Mr. Bogosian explained that the Authority has a preventative maintenance program to ensure that the high voltage electrical equipment is operational. Mr. Bogosian stated that bid documents were sent to twelve prospective bidders, advertisements were published; two bids were received and opened. Authority staff reviewed the bids. Mrs. Blew moved the Resolution authorizing the award of a contract for electrical testing at the South Branch Pumping Station to Reuter/Hanney Inc. of Ivyland, Pennsylvania in the amount of \$33,310.00. Dr. Hsueh seconded the motion. All Authority members approved of this Resolution.

Mr. Scangarella provided the background information on the resolution regarding the renewal of the Authority's insurance program. Mr. Scangarella explained that the Authority 's Liability, Property, Public Officials and Workers' Compensation insurance programs are competitively remarketed every three years and were last remarketed in 2004. This resolution would authorize the Executive Director to renew the insurance coverage subject to the approval of the Chair of the Authority's Insurance Committee. The Executive Director's actions would be ratified at a subsequent Authority Meeting. Mr. Mai moved the Resolution authorizing the renewal of the Authority's insurance program for the period of March 1, 2006 - February 28, 2007. Mr. Iacullo seconded the motion. All Authority members approved of this Resolution.

Mr. Scangarella provided the background information on the resolution to purchase property in Bethlehem Township. Mr. Scangarella explained that the Board approved of this purchase at the November 7, 2005 with the expectation that the Hunterdon Land Trust Alliance would fund 20% of the purchase price. Mr. Scangarella further explained he was notified by the Hunterdon Land Trust Alliance that they do not have sufficient funds to partner with the Authority. Dr. Hsueh moved the Resolution authorizing the purchase of Block 37, Lot 4.01 a 35±-acre parcel in Bethlehem Township, Hunterdon County. Mr. Correll seconded the 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 Committee - no report

PUBLIC COMMENT

David Shope asked if the Authority knew about the use of CMA for snow/ice removal. Dr. Van Abs stated that some municipalities in New Jersey make use of CMA. Mr. Shope asked what the purchase price was for the property in Bethlehem Township; Mr. Patterson stated it was \$357,000. Mr. Shope asked what standard is used to determine restoration in the context of a stream restoration. Mr. Shope asked how many people could be served with the safe yield of the Raritan Basin and the Confluence Project. Discussion was held on the number of gallons used per person, and the amount of industrial water use. Mr. Shope asked about the Confluence project. Mr. Patterson stated that proposals are being evaluated, but no decision has been made at this time.

W. Einthoven, Friends of Spruce Run asked if he would be able to review the Safe Yield Report when available. Mr. Patterson stated that the report would be available to the public. Mr. Einthoven also asked about the proposed future reservoir at 6-Mile Run. Mr. Patterson stated that this was a potential reservoir site identified by the New Jersey Water Supply Master Plan. It is not anticipated that it would not be build for many years.

Dr. Hsueh moved to adjourn the meeting. This motion was seconded by Mr. Mai and was approved unanimously. The meeting was adjourned at 3:00 P.M.

I hereby certify this to be a true and original copy of the December 5, 2005 New Jersey Water Supply Authority meeting minutes.

_____/s/Joanna K. Stem
Joanna K. Stem