

Minutes of the Meeting of  
New Jersey Water Supply Authority  
of  
February 7, 2005

A regular meeting of the New Jersey Water Supply Authority was convened on February 7, 2005 at 2:05 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  
Steven Picco  
Shing-Fu Hsueh

Interested Parties Present:

Oleg Kostin, Elizabethtown Water Co.  
Ronald Williams, Middlesex Water Co./E. Brunswick Township  
David Shope, Self

Authority Staff Present:

Henry S. Patterson III, Executive Director  
Edward Buss, Chief Engineer  
Joanna K. Stem, Executive Secretary  
Michael R. Citarelli, Chief Financial Office  
Richard Famularo, Manager, Manasquan Reservoir System  
Frank Scangarella, Business Manager  
Daniel Van Abs, Manager Watershed Protection Unit  
William Bogosian, Manager Raritan System  
Helene P. Chudzik, Deputy Attorney General  
Jennifer Cherry, 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 December 6, 2004 meeting. Dr. Hsueh moved for the approval of the minutes as prepared and this motion was seconded by Mrs. Blew. The minutes of the December 6, 2004 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson updated his Report by informing the Board that the Portadam that failed over the weekend of January 22, 2005 at Station 122+00 on the D & R Canal has been repaired. This failure did not affected the Authority's ability to maintain flows in the D & R Canal

Executive Director Patterson introduced Jennifer Cherry the Authority's new Property Administrator.

COMMUNICATIONS/CORRESPONDENCE

There was no discussion on this section.

UNFINISHED BUSINESS

Mr. Patterson asked Mr. Famularo to provide the report on the Manasquan Water Supply System and Water Treatment Plant. Mr. Famularo reported that the Manasquan Reservoir is at 94% of capacity. All operations during the month were normal. Mr. Famularo updated the Board on current and future projects. Mr. Famularo stated that bids were received on Thursday February 3, 2005 for the construction of one automated gate and chain-link and cable fencing for an upgrade of security at the Manasquan Reservoir Site.

Mr. Famularo reported that all operations were normal during the past month at the Water Treatment Plant/ Transmission System and the delivery of water to the customers continued without disruption. Mr. Famularo stated that work on the granular activated carbon units would start in the near future.

Mr. Bogosian reported that Round Valley Reservoir is above average for this time of year and that releases were made from the Round Valley Reservoir to reduce the storage to below full capacity. These releases were also used as a training session for Authority's personnel. Mr. Bogosian also reported that all activities in the Raritan Basin System continued normally during the past month.

Dr. Van Abs updated his Report by informing the Board that the first set of comments has been received on the safe yield model from the University of Colorado CADSWES, none of the comments raised any issue. The model will now be sent to the Bureau of Reclamation for their review after the modifications have been made.

#### NEW BUSINESS

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

Acting Chair Sondermeyer nominated Steven J. Picco for Vice Chair, Louis C. Mai for Treasurer and Shing-Fu Hsueh for Secretary. Mr. Correll moved to close the nominations. Mrs. Blew seconded the motion. All Authority members approved of this motion. Mr. Picco 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. Mr. Mai seconded the motion. All Authority members approved of these resolutions.

Executive Director Patterson stated the Committee assignments are needed for 2005. Mr. Patterson indicated that he communicated with all of the Commissioners and they agree to continue to serve on their current Committee assignments. The Committees and their memberships are: Capital Projects Committee, Mr. Correll, Chair with Dr. Hsueh and Mr. Picco members. Personnel Committee, Mr. Mai,

Chair with Mr. Correll and Mr. Picco as members. Insurance Committee, Dr. Hsueh, Chair with Mrs. Blew and Mr. Mai as members. Audit Committee, Mr. Picco, Chair with Mrs. Blew and Mr. Correll as members. Finance Committee, Mr. Mai as Chair and Mrs. Blew and Dr. Hsueh as members. Public Participation Committee, Mrs. Blew, Chair and Mr. Picco and Mr. Correll as members. Watershed Lands Acquisition Committee, Mrs. Blew will Chair the Committee, Mr. Correll and Dr. Hsueh will be members. Acting Chair Sondermeyer stated that tremendous amount of work is completed by the committees, and he thanked everyone for their participation. Mr. Correll moved the resolution concerning the appointments of Committee Members for 2005. Dr. Hsueh seconded this motion. All Authority members approved of this resolution unanimously.

Mr. Citarelli provided the background information on the Resolution regarding the selection of a financial advisor. Mr. Citarelli explained that at the December Authority meeting a resolution was passed to take preliminary actions needed for the refunding of the current portion of the Manasquan State Loan Notes to achieve debt service savings for the Authority. The first step is the selection of a financial advisor. Mr. Citarelli explained the selection process. The results of the selection process were approved by the Chair of the Finance Committee. Mr. Mai moved the Resolution selecting a financial advisor for the refunding of New Jersey Water Supply Authority Manasquan Water Supply System State Loan Notes, The PFM Group of Philadelphia, PA and Moorestown, NJ for an amount not to exceed \$60,000. Mr. Picco seconded the motion. All Authority members approved of this resolution.

Mr. Scangarella provided the background information on the resolution for a water contract with Somerset County Park Commission. Mr. Scangarella explained that this is an uninterrupted water supply of 42.31 million gallons per year, at a consumptive daily rate of .116 million gallons daily (mgd) for golf-course irrigation purposes for the period of January 1, 2005 through April 30, 2014. No Public Hearing was necessary. Mr. Scangarella also stated that there is an approved NJDEP Bureau of Water Allocation permit. Mr. Picco asked if the golf course would still receive water during drought conditions. Executive Director Patterson stated that a golf course is subject to the same drought declaration as are all of our customers.

Acting Chair Sondermeyer asked about the communication between the Division of Water Allocation and the Authority. Mr. Scangarella and Executive Director Patterson explained that for the past four years communications have been excellent. Mrs. Blew moved the Resolution authorizing the execution of a contract with Somerset County Park Commission for uninterrupted supply from the Raritan Basin System. Mr. Correll seconded the motion. All Authority members approved of this resolution.

Mr. Scangarella provided the background information on the resolution for a water contract with East Windsor Municipal Utilities (EWMUA). Mr. Scangarella explained that this is for an uninterrupted water supply of 4 million gallons per year, at a consumptive daily rate of .011 million gallons daily (mgd) for public community supply purposes for a period of January 1, 2005 through July 31, 2014. No Public Hearing was necessary. Mr. Hsueh moved the Resolution authorizing execution of a contract with East Windsor Municipal Utilities Authority for uninterrupted supply from the Raritan Basin System. Mr. Correll seconded the motion. All Authority members approved of this resolution.

Mr. Bogosian provided the background information on the purchase of an amphibious excavator for the Raritan Basin System. Mr. Bogosian explained that the Authority currently owns a non-functional amphibious excavator that was purchased in 1987. This is a 2005 Capital Budget item. Mr. Bogosian stated that only one bid was received and opened. Discussion was held on the use of this equipment and whether renting this type of equipment would be more cost efficient. Mr. Picco moved the Resolution authorizing the award of a purchase order for an amphibious excavator for the Raritan Basin System to Aquarius Systems, a Division of D&D Products Inc. of North Prairie, Wisconsin in the amount of \$189,855. Mr. Correll seconded the motion. All Authority members approved of this resolution.

Mr. Bogosian provided the background information on the purchase of a truck with articulating boom and single occupant bucket for the Raritan Basin System. Mr. Bogosian explained the Authority purchased this type of truck in 1985 and it needs an overhaul and many repairs. The purchase of this truck to replace the one purchased in 1985 is a 2004 Capital Budget item. Mr. Bogosian also explained the research for this purchase through existing State and

Federal purchase contracts. Mr. Mai moved the Resolution authorizing the award of a purchase order for a truck with articulating boom and single occupant bucket for the Raritan Basin System to Time Manufacturing of Waco, Texas in the amount of \$109,806.00. Dr. Hsueh seconded the motion. All Authority members approved of this resolution.

Mr. Buss provided the background information on the Resolution to award a contract for HVAC modifications for the addition to the administration building. Mr. Buss explained that the addition to the administration building was completed in 1995. There have been continuous problems with the HVAC system. The current unit is a 15-ton single stage unit, which is either on or off. Mr. Buss stated that five bids were received and opened. This project is part of the Authority's rehabilitative reserve budget. Mr. Mai asked if prospective contractors are checked as to current licensing, etc. with the State. It was explained that reference and background checks were conducted by Remington & Vernick Engineers from Haddonfield, NJ who was retained by the Authority to design the modification and provide construction management services. Mr. Mai moved the Resolution authorizing the award of a construction contract for HVAC modifications in the Administration Building Addition in the amount of \$152,860. Mrs. Blew seconded the motion. All Authority members approved of this resolution.

Mr. Buss provided the background information on the award of a professional engineering services contract for the rehabilitation of the right bank at Station 122+00. Mr. Buss stated 13 proposals were received and reviewed, and the top three firms were invited to submit fee proposals. The proposal of Lichtenstein Consulting Engineers was judged the most responsive to the scope of services. Acting Chair Sondermeyer asked about the scheduling of this project. Mr. Buss stated that he expects reports from Lichtenstein early this summer, which must be submitted to the Historic Preservation Office and the Canal Commission. Executive Director Patterson stated that this contract is not for the temporary repairs; this is for engineering services for the permanent repairs. Mr. Picco moved the Resolution authorizing the award of a professional engineering services contract for the Rehabilitation of the Right Bank at Station 122+00 on the Delaware and Raritan Canal in Delaware Township, Hunterdon County for an amount not to exceed \$121,500. Mr. Correll

seconded the motion. All Authority members approved of this resolution.

Executive Director Patterson explained that the next two resolutions establish policies regarding the acquisition and funding of lands for water supply protection. DAG Chudzik clarified a statement in the resolution regarding the establishment of policies for the acquisition of lands. In the last paragraph, the first sentence states "WHEREAS, the New Jersey Water Supply Authority has mapped critical areas for water resource protection in the Raritan River Basin, for the Spruce Run Reservoir Watersheds through the Spruce Run Initiative, for the tributaries of the Delaware & Raritan Canal within the Delaware River Basin and for the Manasquan River watershed through the Manasquan River Watershed Association; and". DAG Chudzik stated that the mapping is not complete for the Manasquan Watershed. The sentence should read, "WHEREAS, **based upon** the New Jersey Water Supply Authority **mapping** critical areas for water resource protection in the Raritan River Basin, for the Spruce Run Reservoir Watersheds through the Spruce Run Initiative, for the tributaries of the Delaware & Raritan Canal within the Delaware River Basin and for the Manasquan River watershed through the Manasquan River Watershed Association; and".

Dr. Van Abs provided the background information on the Resolution regarding the establishing of formal policies for the acquisition of land for water supply protection. Dr. Van Abs stated that these were plans that the Authority followed and that this resolution would formalize the policy. Dr. Van Abs explained that this resolution will establish the use of the critical areas preservation plan from the Spruce Run Initiative, the Raritan Basin Critical Areas mapping, the Central Delaware Watershed Management Area Critical Areas mapping and the Manasquan Watershed Critical Area mapping to decide whether or not the Authority would be involved in a land acquisition when the funding is available. Acting Chair Sondermeyer moved the Resolution establishing policies of the New Jersey Water Supply Authority regarding the acquisitions of land for water supply protection. Mrs. Blew seconded the motion. All Authority members approved of this resolution.

Dr. Van Abs provided the background information on the Resolution regarding the establishing of formal policies for the funding of land acquisition and land management practices. Dr. Van Abs described the policy benefits, the three types of land management activities, and the justification for undertaking projects, types of projects, legislative authority, and the technical decision making for choosing the management practices. Acting Chair Sondermeyer stated that this policy clarifies existing practices currently in use. Mr. Picco asked if adoption of this policy should be done through formal rule making under the "Metro-media" case. DAG Chudzick stated this is land management and a general policy statement and not rule making; she will review the issue further but sees no legal issue with approving this resolution. Dr. Van Abs stated that when the Authority deals with a private party, it is on a voluntary basis from the private party. Mr. Picco moved the Resolution establishing policies of the New Jersey Water Supply Authority regarding the funding of land acquisitions and the subsequent management of acquired lands. Mr. Correll seconded the motion. All Authority members approved of this resolution.

Mr. Scangarella provided the background information on the resolution authorizing the contribution of funds to purchase 163 acres in Lebanon Township. Mr. Scangarella explained that the Authority would use a portion of Source Water Protection Funds for this purchase. At the closing, the property will be divided into two separate parcels, which will be held separately by the SADC and the NJDEP. Dr. Hsueh moved the Resolution authorizing the contribution of funds to the purchase of block 36, lot 26, and block 57 lots 53 and 43 in Lebanon Township, New Jersey a 163 acre parcel. Mr. Correll seconded the motion. All Authority members approved of this resolution.

Mr. Scangarella provided the background information on the following five (5) resolutions. These resolutions would authorize the Authority to take various actions for the preservation and implementation of water quality improvements to the properties listed. Mr. Scangarella further explained that the Authority would purchase a Raritan Highlands Farmland Preservation Easements to enhance water quality benefit of the property. The Easements would provide the Authority to enforce Resource Management System Plans on the properties. The funds for all of the water quality improvement costs would be paid

from the Authority's Source Water Protection Fund. Mr. Picco moved the Resolution authorizing the Executive Director to take various actions for the preservation and implementation of water quality improvements to block 44, lot 19, in Lebanon Township, New Jersey a 54 acre parcel; the Resolution authorizing the Executive Director to take various actions for the preservation and implementation of water quality improvements to block 10, lot 1.01 and 5.02, a 110 acre parcel in Tewksbury Township, New Jersey; the Resolution authorizing the Executive Director to take various actions for the preservation and implementation of water quality improvements to block 41, lot 10, a 52 acre parcel in Lebanon Township, New Jersey; the Resolution authorizing the Executive Director to take various actions for the preservation and implementation of water quality improvements to block 35, lot 87 in Lebanon Township, a 100 acre parcel; and the Resolution authorizing the Executive Director to take various actions for the preservation and implementation of water quality improvements to block 40, lot 5 in Lebanon Township, a 59 acre parcel. Dr. Hsueh seconded the motion. All Authority members approved of these resolutions.

#### COMMITTEE REPORTS

- (a) Personnel - no report
- (b) Finance - no report
- (c) Audit - there will be a Committee meeting today
- (d) Public Participation - no report
- (e) Capital Projects - no report
- (f) Insurance - no report
- (g) Watershed Lands Acquisition - no report

#### PUBLIC COMMENT

David Shope asked if the Authority would be funding Hunterdon County's share of the farmland preservation where the County refused to participate in Lebanon Township. Mr. Scangarella explained that the Authority has been working with Hunterdon County on the projects that did not receive funding from the County this year. Mr. Shope stated that

he was glad the Authority was taking that action in Lebanon Township.

EXECUTIVE SESSION

There was no need for an Executive Session.

Dr. Hsueh moved to adjourn the meeting. Mr. Correll seconded and approved this motion unanimously. The meeting was adjourned at 2:58 P.M.

I hereby certify this a true and original copy of the February 7, 2005 minutes of the New Jersey Water Supply Authority meeting minutes.

          /s/Joanna K. Stem  
Joanna K. Stem