

Minutes of the Meeting of
New Jersey Water Supply Authority
of
May 1, 2006

A regular meeting of the New Jersey Water Supply Authority was convened on May 1, 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 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
Louis Mai
Shing-Fu Hsueh
Steve Picco
Robert J. Iacullo
Donald Correll - by telephone

Interested Parties Present:

Ronald Williams, Middlesex Water Company &
East Brunswick Township
Oleg Kostin, New Jersey American Water
William G. Einthoven, Friends of Spruce Run
David Shope, Citizen Lebanon Township
Arthur E. Roswell, Friends of Spruce Run

Authority Staff Present:

Henry S. Patterson III, Executive Director
Joanna K. Stem, Executive Secretary
Edward Buss, Chief Engineer
Beth Gates, Director Finance & Administration
Michael Citarelli, Chief Financial Officer
Frank Scangarella, Dir. Contracts, Risk Mgmt & Legal Affairs
Daniel Van Abs, Director Watershed Protection Unit
Bill Bogosian, Manager Raritan Basin System
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 April 3, 2006 meeting. Mr. Mai moved for the approval of the minutes and Dr. Hsueh seconded this motion. The minutes of the April 3, 2006 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson did not have any additions to his Executive Director's report.

COMMUNICATIONS/CORRESPONDCE

Mr. Patterson stated that there were several articles on water resource issues included in the agenda package.

UNFINISHED BUSINESS

Mr. Buss reported on the Manasquan Reservoir System operations. He stated that the Manasquan Reservoir is 98% of full capacity. Rainfall for the month of April was average but most of rainfall was received in one storm event on April 23. Mr. Buss indicated that we were able to pump back into the reservoir from the river due to that storm event.

Mr. Buss reported on the Water Treatment Plant/Transmission System operations. Mr. Buss provided the details of the high turbidity event at the plant. The New Jersey Department of Environmental Protection was notified of the event. All other operations continue normally at the Water Treatment Plant.

Mr. Bogosian reported on the Raritan Basin System operations. The spring pumping program started on April 21, 2006 after the completion of the electrical testing project at the South Branch Pumping Station. Mr. Bogosian stated that Round Valley is currently at 92% of full capacity. Mr. Bogosian reported that all other operations of the Raritan Basin System have been normal during the last month.

Mr. Citarelli reported on the proposed budgets for the Manasquan Reservoir System, the Water Treatment Plant, and the Raritan Basin System for Fiscal Year 2007. These proposed budgets will be formally presented by Resolution for adoption at the June 5, 2006 Authority meeting. Mr. Citarelli also reviewed the expenses and revenue that make up each budget and the fund balances of each budget. Mr. Citarelli informed the Board that the Water Treatment Plant operates on a calendar year budget, but

since the costs are split and shared with the Monmouth County Improvement Authority, it is also necessary to produce a fiscal year budget. Mr. Picco questioned the appropriation from the rate stabilization fund in the Manasquan Reservoir System. Mr. Citarelli explained that in the Manasquan System the rate stabilization fund is called the general fund.

NEW BUSINESS

Mr. Patterson provided the background information on the resolution regarding the utility lease agreement with Stony Brook Millstone Regional Sewerage Authority. Mr. Patterson explained that the Board passed a resolution at its March 6, 2006 meeting authorizing the execution of a utility agreement. The terms of the agreement were re-evaluated by staff and this resolution would authorize the Executive Director to enter into a utility lease agreement that incorporated the modified terms. Mr. Picco moved the Resolution authorizing execution of a Delaware and Raritan Canal utility lease agreement with Stony Brook Millstone Regional Sewerage Authority. Mr. Iacullo seconded this motion. All Authority members approved the resolution.

Dr. Van Abs updated the Board on the activities of the Watershed Protection Unit while providing the background information on the following four resolutions:

Dr. Van Abs provided the background information on the resolution that would authorize the Executive Director to enter into a Memorandum of Agreement with the NJDEP. The NJDEP would provide a \$350,000 grant from Section 319(h) of the Clean Water Act to the Authority for the Watershed Protection Unit to implement portions of the Delaware and Raritan Canal Plan. The Authority had conducted the Delaware and Raritan Canal Tributary Assessment and Nonpoint Source Management Study that was designated by the NJDEP as an approved watershed restoration and protection plan. Dr. Van Abs explained the project to the Board and discussion was held regarding the details of the project. Mr. Iacullo moved the Resolution authorizing the Executive Director to execute an agreement or contract with the NJDEP regarding the project: Implementation of the Delaware & Raritan Canal Tributary Assessment & Nonpoint Source Management Project, Somerset County, New Jersey. Mrs. Blew seconded this motion. All Authority members approved the resolution.

Dr. Van Abs provided the background information on the resolution that would authorize the Executive Director to enter into an Agreement with the North Jersey Resource Conservation & Development Council. The Authority would partner with the

Council as co-sponsor of a Conservation Incentive Grant proposal for the River Friendly Farms Agriculture Program for the Neshanic Watershed project with a total project cost of \$156,287, of which the U.S. Natural Resources Conservation Service has committed to fund \$75,000 and the Authority would provide \$40,000 in cash and \$10,000 in kind. Dr. Van Abs explained the project to the Board and discussion was held regarding the details of the project. Mr. Picco moved the Resolution authorizing an agreement or contract with the North Jersey Resource Conservation & Development Council for: River-Friendly Farms for the Neshanic Watershed, NRCS Conservation Incentive Grant. Dr. Hsueh seconded this motion. All Authority members approved the resolution.

Dr. Van Abs provided the background information on the resolution authorizing the Executive Director to enter into a professional engineering services contract for construction management for the Hoffman Park Stream Restoration Project. Dr. Van Abs explained that a primary objective of this project is to reduce the amount of sediment traveling through the stream system and into the reservoir. Dr. Van Abs also stated that the project involves replacement of a culvert with a bridge and the restoration of a portion of the stream channel. In discussion with Mr. Picco Dr. Van Abs reviewed the selection and evaluation process. Dr. Hsueh moved the Resolution authorizing the award of a contract for professional engineering services: Hoffman Park Stream Restoration Project - Construction Management to The Louis Berger Group of Florham Park, New Jersey for an amount not to exceed \$57,945.96. Mr. Picco seconded this motion. All Authority members approved the resolution.

Dr. Van Abs provided the background information on the resolution to enter into a construction contract for the Hoffman Park Stream Restoration Project. Dr. Van Abs stated that seven (7) bids were received and opened. Staff recommended that the lowest responsive bid be accepted. Mr. Mai moved the Resolution authorizing the award of a construction contract - Hoffman Park Stream Restoration Project to Vollers Excavating of North Branch, New Jersey for a cost not to exceed \$497,660. Mr. Iacullo 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. Roswell, Friends of Spruce Run, asked for more information and clarification on the D & R Canal Tributary Assessment & Nonpoint Source Management Project. Mr. Roswell also had questions on the Authority's on-going pumping program.

Mr. Einthoven, Friends of Spruce Run asked about the sediment removal from the stormwater wet ponds versus removing sediment from the canal.

Mr. Shope, citizen of Lebanon Township questioned why the public comment period is not held after each resolution, if the Authority calculates "cost to benefit analysis" for any of our projects including the demonstration projects, and if the silt that would collect in the stormwater wet ponds created for the canal project would be toxic.

EXECUTIVE SESSION

There was no need for an Executive Session.

Mr. Mai moved to adjourn the meeting. Dr. Hsueh seconded the motion, and this motion was unanimously approved. The meeting was adjourned at 2:47 P.M.

I hereby certify this to be a true and original copy of the May 1, 2006 New Jersey Water Supply Authority meeting minutes.

 /s/Joanna K. Stem
Joanna K. Stem
Executive Secretary