

Minutes of the Meeting of
New Jersey Water Supply Authority
of
August 3, 2009

A regular meeting of the New Jersey Water Supply Authority was convened on August 3, 2009 at 2:00 P.M. in the Conference Room of the New Jersey Water Supply Authority's Manasquan Water Supply System Administration Building located on Hospital Road, Wall, New Jersey.

As designated by Mark N. Mauriello, Commissioner New Jersey Department of Environmental Protection and Chair New Jersey Water Supply Authority, Michele Putnam, served as Acting Chair of the meeting and called the meeting to order.

Senior Deputy Attorney General Helene P. Chudzik read the statement required by the "Open Public Meeting Act". Executive Director Henry S. Patterson took the roll call of the Authority members.

Present: Michele Putnam, Acting Chair
Louis Mai
Susan Blew
Steven J. Picco
By Phone: Shing Fu-Hsueh
Absent: Robert Iacullo

Interested Parties Present:

Oleg Kostin, New Jersey American Water
Ronald Williams, Middlesex Water Co. & East Brunswick Twp.

Authority Staff Present:

Henry S. Patterson, Executive Director
Joanna K. Stem, Executive Secretary
Beth Gates, Director Finance & Administration
Edward Buss, Chief Engineer
Kenneth Klipstein, Director Watershed Protection Program
Richard Famularo, Manager Manasquan Water Supply System
Helene P. Chudzik, Sr. Deputy Attorney General
Sonia Frontera, Governor's Authorities Unit
Julie Hajdusek, Property Administrator
Jennifer Zhang, Watershed Protection Specialist
Tristan Upadhyay, Project Engineer III

A quorum existed for the transaction of Authority business.

APPROVAL OF THE MINUTES

Acting Chair Putnam asked for the approval of the minutes of the June 1, 2009 meeting. Mr. Picco moved for the approval of the minutes and this motion was seconded by Mr. Mai. The minutes of the June 1, 2009 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson introduced Julie Hajdusek, Property Administrator, Jen Zhang, Watershed Protection Specialist and Tristan Upadhyay, Project Engineer III to the Board. Mr. Patterson stated that the above average rainfall has continued, and the reservoirs are full. Mr. Patterson acknowledged the efforts of the Manasquan Staff when an employee collapsed while at work and passed away from non-work related causes.

COMMUNICATIONS/CORRESPONDENCE

There were no items of Communications or Correspondence.

UNFINISHED BUSINESS

Mr. Famularo reported on the operations for the Manasquan Water Supply System. Mr. Famularo stated that the July rainfall is above the monthly average. Mr. Famularo reported that the Manasquan Reservoir is one-half foot from full capacity, and is above any recorded level for the end of July. There were no questions on the Manasquan Reservoir or the Water Treatment Plant/Transmission System.

Mr. Buss stated that 3.45 inches of rain was recorded at the Spruce Run Gage on Sunday, August 2, 2009. Mr. Buss also reported that the Workhouse Spillway, which is located on the D & R Canal on the border of Hunterdon and Mercer Counties had some damage during the heavy rainfall of August 2nd. This structure is scheduled for rehabilitation next summer. This damage to the spillway will be evaluated and if needed, temporary repairs will be made.

Mr. Klipstein stated that approval of the Agricultural Water Enhancement Program (AWEP) grant was received, but the Authority has not received formal notice of the approval at this time. He stated that the resolution that was to be presented to the Board today for approval would not be presented until the Authority receives formal approval of this Grant.

NEW BUSINESS

Ms. Hajdusek provided the background information on the three Resolutions regarding utility lease amendments with Public Service Electric and Gas Co., Inc. The first resolution authorizes execution of a lease for two gas main pipeline crossings in Franklin Township, Somerset County, the second resolution authorizes execution of a lease for aerial electrical transmission line crossings in Franklin Township and Millstone Borough, Somerset County, and the third authorizes the execution of a lease for aerial electrical transmission line crossings in Delaware Township, Hunterdon County. Ms. Hajdusek stated that all three leases were subject to appraisals paid by PSE&G and that all three leases are for twenty years, effective July 1, 2009 and are subject to current Consumer Price Index.

Ms. Hajdusek stated that the lease for the aerial electrical transmission lines in Franklin Township and Millstone Borough also encompasses a crossing of Parks' property and that the Authority will remit Parks' share of the lease revenue to the Superintendent of Parks when the lease revenue is received from PSE&G. Ms. Hajdusek stated that the lease in for the two gas main crossings in Franklin Township is approximately 0.17 acres appraised at \$100 per year. The lease for the aerial electrical transmission line crossings in Franklin Township and Millstone Borough is approximately 8.86 acres appraised at \$2,900 per year. The lease for the aerial electrical transmission line crossing in Delaware Township is approximately 0.549 acres appraised at \$210 per year. Mr. Picco moved the Resolution authorizing execution of a D&R Canal Transmission Complex utility lease agreement with Public Service Electric and Gas Co., Inc., lease number PSEG1, for two gas main pipeline crossings in Franklin Township, Somerset County, Resolution authorizing execution of a D&R Canal Transmission Complex utility lease agreement with Public Service Electric and Gas Co., Inc., lease number PSEG3, for an aerial electrical transmission line crossing in Franklin Township and Millstone Borough, Somerset County and Resolution authorizing execution of a D&R Canal Transmission Complex utility lease agreement with Public Service Electric and Gas Co., Inc., lease number PSEG5, for an aerial electrical transmission line crossing in Delaware Township, Hunterdon County. Ms. Blew seconded the motion on the resolutions. All Authority members approved the three resolutions.

Ms. Hajdusek provided the background information on the Resolution establishing policies of the New Jersey Water Supply Authority regarding the acquisition of land for water resource protection. Mr. Patterson stated that the Authority previously adopted Resolutions, which initially set out the policies, and referencing criteria regarding the acquisition of land for water

resource protection. Ms. Hajdusek stated that, since the adoption of the previous policies, new and updated sources of the GIS data used to help identify "critical areas" for protection has become available, and that a review of the selection process for open space acquisition was needed. She stated that staff conducted research, and through a series of meetings, agreed upon modifications to the selection methodology for open space acquisitions. The Authority shall focus its land acquisition efforts on properties that either are identified by Authority plans and maps as critical for water supply protection of Authority water supply systems or as important links between such lands. Ms. Hajdusek presented from the policy paper entitled "Preservation of Sensitive Water Resource Areas" as she reviewed the seven criteria included in the policy paper that will be used during selection. Ms. Hajdusek also stated that the Authority should seek to create or contribute to the creation of large contiguous blocks of preserved lands through the acquisition of parcels from willing sellers. Ms. Blew moved the Resolution establishing policies of the New Jersey Water Supply Authority regarding the acquisition of land for water resource protection. Mr. Picco seconded the motion on the resolution. All Authority members approved the resolution.

Ms. Gates provided the background information on the Resolution authorizing the execution of a Risk Management Consulting Services Agreement. Ms. Gates stated that a Request for Proposals was advertised and five consultants submitted proposals. The proposals were reviewed, and with approval of the Chair, Insurance Committee the top three rated firms were invited to submit fee proposals. Ms. Gates discussed the amounts of the fee proposals from the top three rated firms and the negotiation of the final total fee with the top ranked firm. Ms. Gates stated that this resolution would authorize entering into a one-year contract for program review and remarketing, with the option to renew for two consecutive one-year periods for general consulting services. The top rated firm has had a contract with the Authority for the past three years. Mr. Mai moved the Resolution authorizing the execution of a Risk Management Consulting Services Agreement with Albert Risk Management Consultants of Needham, MA for a total cost not to exceed \$27,900. Mr. Picco and Ms. Blew both seconded the motion on the resolution. All Authority members approved the resolution.

Mr. Buss provided the background information on the Resolution authorizing the award of a contract for the Economic and Engineering Feasibility Assessment for Small/low-impact Hydropower Generation Projects at SR and RV Reservoirs in Hunterdon County and for the Preliminary Feasibility Assessment for Low-Head/Micro Hydropower Generation at Specific Flow Control Sites on the Delaware & Raritan Canal in Hunterdon, Middlesex and

Somerset Counties. Mr. Buss stated that the Authority is considering development of small/low-impact hydroelectric generation projects. Investigations would be completed for micro-hydropower generation at several locations along the D & R Canal and at Spruce Run and Round Valley Reservoirs. Mr. Buss stated a Request for Proposals was advertised and four consultants submitted proposal. The proposals were reviewed, and with approval of the Chair, Capital Projects Committee the top three rated firms were invited to submit fee proposals. Mr. Buss discussed the amounts of the fee proposals from the top three rated firms and the negotiation of the final total fee with the top ranked firm. Mr. Mai moved the Resolution authorizing the award of a contract for the Economic and Engineering Feasibility Assessment for Small/low-impact Hydropower Generation Projects at SR and RV Reservoirs in Hunterdon County and for the Preliminary Feasibility Assessment for Low-Head/Micro Hydropower Generation at Specific Flow Control Sites on the Delaware & Raritan Canal in Hunterdon, Middlesex and Somerset Counties with GZA GeoEnvironmental, Inc. of Norwood, MA for a lump sum of \$100,000. Mr. Picco seconded the motion on the resolution. All Authority members approved the resolution.

Mr. Buss provided background information on the Resolution authorizing the award of a contract for preparation of an Asset Management Plan for the South Branch Pumping Station, Clinton Township, Hunterdon County. Mr. Buss explained that the services of an engineering consultant were needed for the development of a plan to service the pump and motor bedplates and the motor windings for the 10 main pumps at the South Branch Pumping Station, and for the development and preparation of an Asset Management Plan for the Pump Station. Mr. Buss reviewed the four-task approach for the development of this Asset Management Plan. Mr. Buss stated a Request for Proposals was advertised and four consultants submitted proposal. With approval of the Chair, Capital Projects Committee the top three rated firms were invited to submit fee proposals. Mr. Buss discussed the negotiation of the final total fee with the top ranked firm. Discussion was held on the ten pumps; the need for 10 pumps and the repair of the 10 pumps, and the number of pumps that run at one time. Mr. Mai moved the Resolution authorizing the award of a contract for preparation of an Asset Management Plan for the South Branch Pumping Station, Clinton Township, Hunterdon County with Hatch Mott MacDonald of Millburn, NJ for a cost not to exceed \$209,237. Mr. Picco seconded the motion on the resolution. 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

There were no comments from the public.

EXECUTIVE SESSION

There was no need for an Executive Session.

Mr. Mai moved to adjourn the meeting. Mr. Picco seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:42 P.M.

I hereby certify this to be a true and original copy of the August 3, 2009 New Jersey Water Supply Authority meeting minutes.

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