

Minutes of the Meeting of  
New Jersey Water Supply Authority  
of  
June 2, 2008

A regular meeting of the New Jersey Water Supply Authority was convened on June 2, 2008 at 2:00 P.M. in the Conference Room of the New Jersey Water Supply Authority's Canal Office located at Bear Tavern Road, West Trenton, New Jersey.

As designated by New Jersey Department of Environmental Protection Commissioner and New Jersey Water Supply Authority Chair, Lisa P. Jackson, Gary Sondermeyer, served as Acting Chair of the meeting and called the meeting to order.

Sr. 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: Gary Sondermeyer, Acting Chair  
Louis Mai  
Steve Picco  
Shing-Fu Hsueh  
Robert J. Iacullo  
Absent: Susan Blew  
Absent: Donald Correll

Interested Parties Present:

David Shope, Citizen Lebanon Township  
Vim Einthoven, Friends of Spruce Run  
Ronald Williams, Middlesex Water Co. & East Brunswick Twp  
Oleg Kostin, New Jersey American Water

Authority Staff Present:

Henry S. Patterson, Executive Director  
Joanna K. Stem, Executive Secretary  
Edward Buss, Chief Engineer  
Beth Gates, Director Finance & Administration  
Michael Citarelli, Chief Financial Officer  
Richard Famularo, Manager Manasquan Water Supply System  
Bill Bogosian, Manager Raritan Basin System  
Helene P. Chudzik, Sr. Deputy Attorney General  
Sonia Fontera, Governor's Authorities Unit

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 May 5, 2008 meeting. Mr. Picco moved for the approval of the minutes and Mr. Mai seconded this motion. The minutes of the May 5, 2008 meeting were approved by the Board.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Patterson stated that all of the audit requirements included in Executive Order 122 have been satisfied. Mr. Patterson informed the Board that a pre-audit meeting was held today, and Mr. Picco, Chair of the Audit Committee will give a report. Mr. Patterson stated that the reservoirs are all near full.

**COMMUNICATIONS/CORRESPONDCE**

No items were included in Communications or Correspondence.

**UNFINISHED BUSINESS**

Mr. Famularo reported on the Manasquan Reservoir System operations, stating that the Manasquan Reservoir is at 98% of full capacity. The Manasquan Water Supply System has started the summer season with customers using its optional water use agreements.

Mr. Famularo reported on the Water Treatment Plant/ Transmission System operations stating that four of the five customers are using its optional water use agreement for the summer time frame. Mr. Famularo also explained that in accordance with the Environmental Protection Agency rule on Long Term 2 Enhanced Surface Water Treatment, the required monthly sampling and testing began in April for 24 months. Mr. Famularo reviewed the progress of the preparation of an Asset Management Plan for the Water Treatment Plant, which will be presented to the Monmouth County Improvement Authority for their review. Mr. Famularo explained the reason for a 24-hour shut down on May 28<sup>th</sup> at the Water Treatment Plant involving a problem with a coagulant feedline, no violations of the turbidity regulations occurred in connection with this problem.

Mr. Bogosian reported that all operations of the Raritan Basin System have been normal during the last month.

Mr. Citarelli reported on the budgets for the Manasquan Reservoir System, the Water Treatment Plant, and the Raritan Basin System for Fiscal Year 2009, starting July 1, 2008. Mr. Citarelli reviewed the rate for each System and the total budget for each System. Mr. Picco asked if the previously mentioned problem at the Water Treatment Plant would affect this budget, Mr. Famularo explained that it would not. Mr. Picco moved the Resolution approving the Authority's Manasquan System Budget for Fiscal Year 2009 (July 1, 2008 - June 30, 2009), the Resolution approving the Authority's Manasquan Water Treatment Plant/Transmission System Budget for Fiscal Year 2009 (July 1, 2008 - June 30, 2009) and the Resolution approving the Authority's Delaware and Raritan Canal-Spruce Run/Round Valley Reservoirs System Fiscal Year 2009 (July 1, 2008 - June 30, 2009). Mr. Iacullo seconded the motion. All Authority members approved of the resolutions. Acting Chair Sondermeyer commended the Authority Staff for their work on the budget.

Mr. Patterson provided an update on the activities of the Watershed Protection Program.

#### **NEW BUSINESS**

Mr. Citarelli provided the background information on the Unaudited Financial Statements dated March 31, 2008. Mr. Citarelli mentioned the increase in the non-operating revenue was due to insurance proceeds received for April 2005 storm damage, FEMA reimbursement monies for the April 20, 2007 storm damage and monies from the State towards the repair of the No Name Dam 31 in Clinton Township.

Ms. Gates provided the background information on the Resolution authorizing execution of a D&R Canal Transmission Complex utility lease agreement with Public Service Electric and Gas Co., Inc. for aerial electric transmission lines in Franklin Township, Somerset County and the Resolution authorizing execution of a D&R Canal Transmission Complex utility lease agreement with Public Service Electric and Gas Co., Inc. for steel pole and aerial electric transmission lines in Franklin Township, Somerset County. Ms. Gates explained that both of the leases were subject to appraisal. The lease for the aerial electric transmission crossing over Weston Canal Road is approximately .209 acres appraised at \$100 per year. The other lease is for steel pole and aerial electric transmission lines along Easton Avenue appraised at \$150 per year. Ms. Gates explained that both leases are for twenty years, effective July 1, 2008 and are subject to current Consumer Price Index. PSE&G

Co. paid for both of the appraisals. 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. for aerial electric transmission lines in Franklin Township, Somerset County and the Resolution authorizing execution of a D&R Canal Transmission Complex utility lease agreement with Public Service Electric and Gas Co., Inc. for steel pole and aerial electric transmission lines in Franklin Township, Somerset County. Mr. Mai seconded the motion. All Authority members approved of the resolutions.

Ms. Gates provided the background information on the Resolution authorizing the Executive Director to negotiate and execute a contract with the New Jersey Department of Corrections, Edna Mahan Correctional Facility for Women for uninterrupted service from the Raritan Basin System. Ms. Gates explained that the Authority received an application from the Edna Mahan Correctional Facility for the use of two onsite wells in an amount not to exceed .170 million gallons per day (mgd), of which .025 mgd is deemed consumptive. The contract is for ten years commencing July 1, 2008. Ms. Gates explained that after a notice of public hearing was advertised, and no objections were received concerning the application, the public hearing was cancelled. Mr. Iacullo moved the Resolution authorizing the Executive Director to negotiate and execute a contract with the New Jersey Department of Corrections, Edna Mahan Correctional Facility for Women for uninterrupted service from the Raritan Basin System. Mr. Mai seconded this motion. All Authority members approved of the resolution.

Mr. Buss provided the background information on the Resolution authorizing the award of a professional services contract for the rehabilitation of the Workhouse and Rooster Coop Spillways on the D&R Canal in Hopewell Township, Mercer County and West Amwell Township, Hunterdon County. Mr. Buss explained that the two concrete structures are deteriorated and need to be reconstructed. The consultant would need to review and update the design for the rehabilitation of the Workhouse Spillway. The engineering consultant would need to investigate and design the rehabilitation of the Rooster Coop spillway box. A Request For Proposal was advertised and six proposals were received and reviewed. 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 professional services contract for the rehabilitation of the Workhouse and Rooster Coop Spillways on the D&R Canal in Hopewell Township, Mercer County and West Amwell

Township, Hunterdon County to TransSystems/Lichtenstein of Paramus, NJ for an amount not to exceed \$143,800. Mr. Picco seconded this motion. All Authority members approved of the resolution.

Mr. Buss provided the background information on the Resolution authorizing the award of a construction contract for the Administration Building Lunch Room, Lockers and Bathroom Renovation. Mr. Buss provided background information on the project. Mr. Buss stated that advertisement inviting bids were published in local newspapers and posted on the New Jersey Business Opportunities web site and on the Authority's web site. Three bids were received and opened. Mr. Mai moved the Resolution authorizing the award of a construction contract for the Administration Building Lunch Room, Lockers and Bathroom Renovation to AB Designs of Summit, NJ for a lump sum and unit cost price not to exceed \$262,000. Mr. Picco seconded this motion. All Authority members approved of the resolution.

#### **COMMITTEE REPORTS**

- (a) Personnel - no report
- (b) Finance - no report
- (c) Consumers - no report
- (d) Audit - Mr. Picco reported that a Pre-Audit Committee meeting was held today.
- (e) Public Participation - no report
- (f) Capital Projects - no report
- (g) Insurance - no report
- (h) Watershed Lands Acquisition Committee - no report

#### **PUBLIC COMMENT**

Mr. Shope, Citizen of Lebanon Township asked if Resolution B & C had any effect on the property known as Six Mile Run? Mr. Shope also asked the status of the Six Mile Run Reservoir? Mr. Shope asked if the Six Mile Run Reservoir was part of the New Jersey Water Supply Authority property?

