

Minutes of the Meeting of  
New Jersey Water Supply Authority  
of  
November 2, 2009

A regular meeting of the New Jersey Water Supply Authority was convened on November 2, 2009 at 2:00 P.M. in the Conference Room of the New Jersey Water Supply Authority's Clinton Administration Building, located at 1851 Route 31, Clinton, New Jersey.

As designated by New Jersey Department of Environmental Protection Commissioner and New Jersey Water Supply Authority Chair Mark N. Mauriello, 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  
Susan Blew  
Louis Mai  
Steven J. Picco  
Shing-Fu Hsueh - by telephone  
Absent: Robert Iacullo

Interested Parties Present:  
Oleg Kostin, New Jersey American Water  
Ronald Williams, Middlesex Water Company & East Brunswick  
Arthur Roswell, Friends of Spruce Run

Authority Staff Present:  
Henry S. Patterson, Executive Director  
Joanna K. Stem, Executive Secretary  
Edward Buss, Chief Engineer  
Beth Gates, Director Finance and Administration  
Michael Citarelli, Chief Financial Officer  
Helene P. Chudzik, Senior Deputy Attorney General  
Richard Famularo, Manager Manasquan Reservoir System  
Bill Bogosian, Manager Raritan Basin System  
Kenneth Klipstein, Director Watershed Protection Program  
Julie Hajdusek, Property Administrator

A quorum existed for the transaction of Authority business.

**APPROVAL OF THE MINUTES**

Acting Chair Putnam opened the meeting by asking for the approval of the minutes of the October 5, 2009 meeting. Mr. Picco moved for the approval of the minutes as prepared. Ms. Blew seconded this motion. All members approved of the motion.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Patterson stated there were no additions to his report and that Mr. Famularo would update the Board on the main break in Brielle Borough.

**COMMUNICATIONS/CORRESPONDENCE**

Mr. Patterson stated that the Audited Financial Statements and Supplemental Information for year ending June 30, 2009 and the Schedules of Expenditures of Federal and State Awards for year ending June 30, 2009 (Single Audit) prepared by Mercadien, P.C., Certified Public Accountants are both available on the Authority's website at [www.njwsa.org](http://www.njwsa.org).

**UNFINISHED BUSINESS**

Mr. Famularo reported on the operations in the Manasquan Water Supply System. Mr. Famularo stated that the Manasquan Reservoir was 94% of capacity. The annual cleaning of the Intake Station is currently taking place. The project should be completed on Thursday November 5, 2009. Mr. Famularo stated that there was a water main break in Brielle Borough. All repairs have been completed on the water main. All other operations at the Water Treatment Plant were normal and there were no other interruptions of service to our customer communities. Mr. Famularo updated the Board on the repairs and replacement of the emergency generator unit at the Water Treatment Plant.

Ms. Gates reviewed the 2010 Calendar Year Budget for the Water Treatment Plant/Transmission System. Ms. Gates reviewed the details of the budget and discussed the possible allocation of expenses among the communities in the Southeast Monmouth Municipal Utilities Authority (SMMUA).

Mr. Bogosian reported that all operations in the Raritan Basin System are continuing normally.

Mr. Klipstein stated that an executed contract was received from the New Jersey Department of Environmental Protection for the \$750,000 grant regarding the project Addressing Agricultural Nonpoint Source Pollution in Priority Watersheds. The Watershed Protection staff will start to implement the Ag Mini-Grants Projects.

Mr. Patterson informed the Board that on October 27, 2009 the Sanofi-Aventis Research Facility received the River Friendly Certification for their Bridgewater, NJ facility.

### NEW BUSINESS

Mr. Citarelli presented an overview of the proposed rates for both the Manasquan Reservoir System and Raritan Basin System that would be effective on July 1, 2010.

MANASQUAN WATER SUPPLY SYSTEM - Mr. Citarelli informed the Board that the proposed total rate for the initial water users is \$1,011.39 per million gallons, and the proposed total rate for the delayed water users is \$1,198.89 and that these rates represent no increase in the Operations and Maintenance, Source Water Protection and regular Debt Service Components over the current year. Mr. Citarelli further stated that a new component of the rate totaling \$30.91 per million gallons to repay the New Jersey Environmental Infrastructure Financing program would only be effective July 1, 2010 if the program approves the Authority's application for the construction of a building structure over the Reservoir Intake Pump Station. The final copy of the Basis and Background was included with the agenda package, posted on the Authority's website and furnished to the water users in advance of an informal briefing meeting, which was held on October 16, 2009. There were no questions on the proposed rate changes and assessments for the Manasquan Water Supply System.

RARITAN BASIN SYSTEM - Mr. Citarelli also informed the Board that the proposed total rate for the Raritan Basin System is \$231.00 per million gallons, no increase over the current rate. The final copy of the Basis and Background was included with the agenda package, posted on the Authority's website and furnished to the water users in advance of an informal briefing meeting, which was held on October 9, 2009. There were no questions on the proposed rate changes and assessments for the Raritan Basin System.

Mr. Mai moved the Resolution authorizing publication of proposed changes in the Authority's Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System and the Resolution authorizing publication of proposed changes in the Authority's Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System. Mr. Picco seconded the motion for both resolutions. All Authority members approved the resolutions.

Executive Director Patterson discussed the Resolution for the 2010 Authority Meeting dates, times and locations. These meeting times, dates and locations will be the same as in 2009. Mr. Picco moved the Resolution establishing the dates, times and locations for the Authority meetings scheduled in 2010. Mr. Mai seconded

this resolution. All Authority members approved the resolution.

Mr. Famularo provided the background information on the Resolution authorizing the Executive Director to enter into a purchase agreement for Sodium Hypochlorite for the Manasquan Water Treatment Plant, Wall Township, and the Resolution authorizing the Executive Director to enter into a purchase agreement for Polyaluminum Chloride for the Manasquan Water Treatment Plant, Wall Township. Mr. Famularo explained that advertisements inviting bids were published in local newspapers and posted on the New Jersey Business Opportunities website and on the Authority's website. Five (5) bids were received on the Sodium Hypochlorite and two (2) bids were received for the Polyaluminum Chloride. All bids were received and opened on October 8, 2009. Mr. Famularo reviewed the unit cost and amounts for each resolution.

The resolution for the Zinc Orthophosphate will be presented to the Board at the December 7, 2009 Authority Meeting.

Ms. Blew moved Resolution authorizing the Executive Director to enter into a purchase agreement for Sodium Hypochlorite for the Manasquan Water Treatment Plant, Wall Township, to George S. Coyne Chemical Co., Inc. of Croydon, PA for a unit cost of \$1.418/gallon and a total cost not to exceed \$29,778.00 and the Resolution authorizing the Executive Director to enter into a purchase agreement for Polyaluminum Chloride for the Manasquan Water Treatment Plant, Wall Township to Delta Chemical Corporation of Baltimore, MD for a unit cost of \$0.142/pound and a total cost not to exceed \$83,070.00. Dr. Hsueh seconded the resolutions. All Authority members approved the resolutions.

Mr. Famularo provided the background information on the Resolution authorizing the Executive Director to enter into a purchase order agreement for a front loader - backhoe for the Manasquan Water Supply System. Mr. Famularo explained that advertisements inviting bids were published in local newspapers and posted on the New Jersey Business Opportunities website and on the Authority's website. Six (6) bids were received and opened on October 8, 2009. Mr. Famularo reviewed the details of the low bid. Mr. Mai moved the Resolution authorizing the Executive Director to enter into a purchase order agreement for a front loader - backhoe for the Manasquan Water Supply System to Modern Equipment of Farmingdale, NJ in the amount of \$58,565.55. Ms. Blew seconded the resolution. All Authority members approved the resolution.

Ms. Hajdusek provided the background information on the Resolution authorizing the purchase of a fee simple interest in Block 38, Lot 6, a 36+ acre critical watershed parcel in Bethlehem Township, Hunterdon County. Ms. Hajdusek explained that the Board previously approved a resolution authorizing the execution of a contract to purchase this property. Ms. Hajdusek explained that in preparation for closing, due diligence revealed no issues that

would preclude purchasing this parcel. Mr. Picco moved the Resolution authorizing the purchase of Block 38, Lot 6, Bethlehem Township a 36+ acre parcel. Ms. Blew seconded the resolution. All Authority members approved the resolution.

Ms. Gates provided the background information on two bond resolutions, the first for land acquisition, a Resolution Authorizing The Issuance Of Not Exceeding \$3,500,000 Subordinate Bonds (Delaware And Raritan System - Series 2009) Of The New Jersey Water Supply Authority And Providing For Their Sale To The New Jersey Environmental Infrastructure Trust And The State Of New Jersey And Authorizing The Execution And Delivery Of Certain Agreements In Connection Therewith and the second for a construction project, a Resolution Authorizing The Issuance Of Not Exceeding \$4,500,000 Subordinate Bonds (Manasquan Water Supply System - Series 2009) Of The New Jersey Water Supply Authority And Providing For Their Sale To The New Jersey Environmental Infrastructure Trust And The State Of New Jersey And Authorizing The Execution And Delivery Of Certain Agreements In Connection Therewith. Mr. Picco asked if the Authority had a bond limit and where the revenue comes from to fund the repayment of the bonds. Ms. Gates explained that the Authority does not have a bonding limit. Ms. Gates also explained that the revenue to repay the bonds for the land comes from the Source Water Protection Fund, and for the Manasquan bonds there is a rate component that will be used to repay the bonds. Ms. Gates stated that the bonds for the land would not be issued until the end of February or early March 2010. The Authority still must received approval from the Infrastructure Trust Financing Program for the Intake Pump Station funding to be included in this year's Funding Program. The Authority submitted the intake pump station project for stimulus funding and at this time it may not be ranked high enough to be included in either the stimulus funding or the traditional program. Mr. Mai moved the Resolution Authorizing The Issuance Of Not Exceeding \$3,500,000 Subordinate Bonds (Delaware And Raritan System - Series 2009) Of The New Jersey Water Supply Authority And Providing For Their Sale To The New Jersey Environmental Infrastructure Trust And The State Of New Jersey And Authorizing The Execution And Delivery Of Certain Agreements In Connection Therewith and the Resolution Authorizing The Issuance Of Not Exceeding \$4,500,000 Subordinate Bonds (Manasquan Water Supply System - Series 2009) Of The New Jersey Water Supply Authority And Providing For Their Sale To The New Jersey Environmental Infrastructure Trust And The State Of New Jersey And Authorizing The Execution And Delivery Of Certain Agreements In Connection Therewith. Mr. Picco seconded the resolutions. All Authority members approved the resolutions.

Ms. Gates provided the background information on the Resolution authorizing the Executive Director to execute a contract for the renewal of the water purchase contract with Mercer County Parks Commission. Ms. Gates explained that an application for

renewal was received from the Mercer County Park Commission for its uninterrupted supply contract for golf course irrigation at Princeton Country Club. The current allocation is .074 million gallons per day (mgd) of which .067 mgd is deemed consumptive from the D & R Canal. The renewal contract is for the period from November 1, 2009 through October 31, 2014. The Notice of Public Hearing was mailed and published. No interested parties responded, no objections were received and there were no other issues of concern. The Public Hearing was waived. Mr. Picco moved the Resolution authorizing the Executive Director to execute a contract for the renewal of the water purchase contract with Mercer County Parks Commission. Ms. Blew seconded the resolution. All Authority members approved the resolution.

#### **COMMITTEE REPORTS**

- (a) Personnel - no report
- (b) Finance - no report
- (c) Audit - 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 asked why we were making releases from Spruce Run Reservoir and why we were lowering the water level of Spruce Run Reservoir.

#### **EXECUTIVE SESSION**

There was no need for an Executive Session.

Mr. Mai moved to adjourn the meeting. This motion was seconded by Mr. Picco and was approved unanimously. The meeting was adjourned at 2:24 P.M.

I hereby certify this to be a true and original copy of the November 2, 2009 New Jersey Water Supply Authority meeting minutes.

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Joanna K. Stem  
Executive Secretary I