

Minutes of the Meeting of
New Jersey Water Supply Authority
of
December 7, 2009

A regular meeting of the New Jersey Water Supply Authority was convened on December 7, 2009 at 2:03 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 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.

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: 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 Co. & East Brunswick Township
Dave Shope, Member of the Public
Charles Engler, Friends of Spruce Run

Authority Staff Present:

Henry S. Patterson, Executive Director
Joanna K. Stem, Executive Secretary
Beth Gates, Director Finance and Administration
Edward Buss, Chief Engineer
Kenneth Klipstein, Director Watershed Protection Programs
William Bogosian, Manager Raritan Basin System
Helene P. Chudzik, Sr. Deputy Attorney General

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 November 2, 2009 meeting. Mrs. Blew moved for the approval of the minutes as prepared. Mr. Mai seconded this motion. All members approved of the motion.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson stated that all commissioners completed the mandatory ethics training online.

COMMUNICATIONS/CORRESPONDENCE

There were no items of Communication/Correspondence.

UNFINISHED BUSINESS

Mr. Buss reported that all operations in the Manasquan Water Supply System are normal. Mr. Buss stated that the inspection of the 66" pipeline between the reservoir and the pumping station is on-going. The pipeline is approximately 25,000 feet long and only 1,000 feet to 1,500 feet of pipeline inspection can be completed a day. Mr. Buss stated that all deliveries from the Water Treatment Plant were normal except for one day of interruption for transmission main flushing.

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

Mr. Klipstein reported that the staff from the Watershed Protection Program Unit was part of the team that received the 2009 Governor's Environmental Excellence Award in the Water Resources Category. This award is for the Healthy Lawns/Healthy Environment Initiative, which was a partnership between government and members of the fertilizer industry to reduce the amount of phosphorus in lawns and garden fertilizer formulations.

NEW BUSINESS

Ms. Gates gave a brief report on the Unaudited Financial Report for the period ending September 30, 2009 stating that there were no cash receivable or accounts payable problems for the reporting period. Ms. Gates explained the reduction in cash and cash equivalents, which corresponds with the increase in investments.

Ms. Gates provided the background information on the resolution approving the Annual Report for New Jersey Water Supply Authority for 2009 as required by Executive Order 37. Ms. Gates stated that

the specific requirements of Executive Order 37 relative to the Authority's 2009 Annual Report are all included in the 2009 Annual Report. Mr. Picco moved the Resolution Approving the Annual Report of the New Jersey Water Supply Authority for 2009. Mr. Mai seconded the motion for the resolution. All Authority members approved the resolution.

Mr. Picco, Chair of the Audit Committee reported on the Audit Committee meeting held today. Mr. Picco stated that Mercadien, P.C. is in the third year of the contract. Mr. Picco moved the Resolution authorizing the award of a contract to conduct the Annual Fiscal Audit for the fiscal year ending June 30, 2010. Mrs. Blew seconded the motion for the resolution with Mercadien, P.C. of Princeton, NJ for a fee not to exceed \$58,300. Mr. Picco, Mrs. Blew, Dr. Hsueh and Ms. Putnam approved the resolution. Mr. Mai abstained from the vote.

Ms. Gates gave the background information on the Resolution authorizing the placement of the Authority's Insurance Program for the period of March 1, 2010 through February 28, 2011. Ms. Gates explained that this resolution authorizes the binding of insurance, with the approval of the Chair Insurance Committee, to place/renew the insurance program by March 1, 2010 and further ratified in a resolution at a subsequent Authority Meeting. Mrs. Blew moved the Resolution authorizing the placement of the Authority's Insurance Program for the period of March 1, 2010 through February 28, 2011. Mr. Mai seconded the motion for the resolution. All Authority members approved the resolution.

Mr. Buss provided the background information on the Resolution authorizing the Executive Director to enter into a purchase agreement for Zinc Orthophosphate for the Manasquan Water Treatment, Wall Township. Mr. Buss stated that the Authority advertised for bids for the purchase of zinc orthophosphate in two newspapers of general circulation in the State of New Jersey, letters inviting bids were sent to vendors on the Authority's vendors' list. The advertisement for bids were also posted on the New Jersey Business Opportunities web site and the also on the Authority's web site. Mr. Buss further stated that four (4) bids were received and reviewed. Authority staff reviewed the bids and determined that the low bid submitted, did not possess a valid business certification as required under NJSA 52:32-44, and was non-responsive and it is recommended that it should be rejected. Mr. Mai moved the Resolution authorizing the Executive Director to enter into a purchase agreement for Zinc Orthophosphate for the Manasquan Water Treatment, Wall Township with George S. Coyne Chemical Co., Inc. of Croydon, PA for a unit cost of \$0.617/pound and a total cost not to exceed \$55,530.00. Mr. Picco seconded the motion for the resolution. All Authority members approved the resolution.

COMMITTEE REPORTS

- (a) Personnel - no report
- (b) Finance - no report
- (c) Audit - Report given during the meeting
- (d) Public Participation - no report
- (e) Capital Projects - no report
- (f) Insurance - no report
- (g) Watershed Lands Acquisition Committee - no report

PUBLIC COMMENT

Mr. Engler thanked the entire Authority for the favorable levels in Spruce Run Reservoir during the past year and for the care given to the reservoir.

Mr. Shope asked if more information on the reduction of phosphorus in lawn and garden fertilizer formulations.

Mr. Patterson congratulated Mr. Williams on his pending retirement from Middlesex Water Company and thanked him for his many years of participation and interest at Authority board meetings.

EXECUTIVE SESSION

There was no need for an Executive Session.

Mr. Picco moved to adjourn the meeting. This motion was seconded by Mr. Mai and was approved unanimously. The meeting was adjourned at 2:22 P.M.

I hereby certify this to be a true and original copy of the December 7, 2009 New Jersey Water Supply Authority meeting minutes.

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