

Minutes of the Meeting of  
New Jersey Water Supply Authority  
of  
November 6, 2006

A regular meeting of the New Jersey Water Supply Authority was convened on November 6, 2006 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 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  
Shing-Fu Hsueh - by telephone  
Steven J. Picco  
Louis Mai  
Absent: Donald Correll  
Robert Iacullo

Interested Parties Present:  
Oleg Kostin, New Jersey American Water  
Dave Shope, Member of the Public  
Ronald Williams, Middlesex Water Company & East Brunswick  
Arthur Roswell, Friends of Spruce Run  
Charles Engler, Friends of Spruce Run  
W. Eithoven, 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 and Administration  
Michael Citarelli, Chief Financial Officer  
Daniel Van Abs, Director Watershed Protection  
Frank Scangarella, Dir. Contracts, Risk Mgt & Legal Affairs  
Helene P. Chudzik, Deputy Attorney General

A quorum existed for the transaction of Authority business.

### **APPROVAL OF THE MINUTES**

Acting Chair Sondermeyer opened the meeting by asking for the approval of the minutes of the October 2, 2006 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 informed the Board that the Authority received the 2006 Pacesetter Award for our Safety Program from the American Red Cross. The Authority also received the "Outstanding Floodplain Management Award for Exemplary Vision" from the New Jersey Association for Floodplain Management for our Hoffman Park Stream Restoration Project.

### **COMMUNICATIONS/CORRESPONDENCE**

Mr. Patterson stated that he included the Summary and Analysis of State Authorities' Employee Benefits from the Inspector General in the Communications/Correspondence Section.

### **UNFINISHED BUSINESS**

Mr. Buss reported that all operations in the Manasquan Water Supply System and the Water Treatment Plant were normal and there were no interruptions of service to our customer communities. Mr. Buss stated that the contractor has cleaned the sediment out of the intake. This work was completed within four days.

Mr. Buss reported that all operations in the Raritan Basin System are continuing normally. Mr. Buss stated that the contractor is still working in Stockton on the embankment. Mr. Buss also stated that the water levels in both the Spruce Run and Round Valley Reservoirs are increasing.

Dr. Van Abs provided an updated status report for the Watershed Protection Program. Dr. Van Abs stated that the tree planting at the Hoffman Park Project would start on November 7, 2006. The contractor will be responsible for any replacement of the 296 trees and shrubs that will be planted that do not survive. Dr. Van Abs stated that he has completed his work with the Highlands Council. Acting Chair Sondermeyer asked why the planting of the trees and shrubs is starting now. Dr. Van Abs stated that he was not sure if it was availability of product and/or scheduling.

Mr. Patterson stated that a letter was received from the Water Users Association regarding the rates for the Raritan System. The Water Users Association requested that the letter be shared with the Authority's Commissioners and that a meeting be held with the Executive Director to discuss the Raritan Basin System proposed rate schedule.

### **NEW BUSINESS**

Ms. Gates presented an overview changes to the proposed rates and the sale bases for both the Manasquan Reservoir System and Raritan Basin System that would be effective on July 1, 2007. Ms. Gates informed the Board that the total rate for the Manasquan System is proposed to increase by 1.53% and with a nominal sales base increase of 1,000 gallons per day to 20.560 MGD. Ms. Gates stated that the Authority is proposing rule amendments in the Manasquan System to change the definition of Optional Water Use and Overdraft Service so that these definitions conform to the standards of practice written into the customers' contracts. Ms. Gates also informed the Board that the total rate for the Raritan Basin System is proposed to increase by 3.07% with a nominal sales base increase of 46,000 gallons per day to 179.978 MGD.

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. Mrs. Blew seconded the motion for both resolutions. All Authority members approved the resolutions.

Executive Director Patterson discussed the resolution for the 2007 Authority Meeting dates, times and locations. These meeting times and locations will be the same as in 2006. Mrs. Blew moved the resolution establishing the dates, times and locations for the Authority meetings scheduled in 2007. Mr. Mai seconded this resolution. All Authority members approved the resolution.

Mr. Buss provided the background information on the resolution authorizing the award of a purchase order for the repair of pump number six at the South Branch Pump Station (SBPS) Mr. Buss stated that the 10 pumps at the SBPS were manufactured in the 1960s. Authority staff at the SBPS has always maintained the pumps and recently have been overhauling the pumps and motors. It was determined that pump number six needed repairs beyond the ability of Authority staff. It is necessary to contract with the original equipment manufacturer for the service

of the pump because of the size of the pump and the type of necessary repair. Mr. Buss stated that the Authority has maintained spare parts for the pumps, and these spare parts will be used during the repair of pump number six. Discussion was held regarding the spare parts. Mr. Mai moved the Resolution authorizing the award of a purchase order for the repair of pump number six at the South Branch Pumping Station to Siemens Demag Delaval Turbomachinery, Inc. of Trenton, NJ in the amount of \$38,765. Mrs. Blew seconded the resolution. All Authority members approved the resolution.

Dr. Van Abs provided the background information on the two resolutions authorizing the Executive Director to execute agreements with the North Jersey Resource Conservation & Development Council (NJRCDC) for two projects. Dr. Van Abs explained that the NJRCDC applied for two grants. One project will develop a priority listing of agriculture properties where a riparian buffer would benefit the water quality of the Raritan Basin upstream of a water customer intake site. Dr. Van Abs further explained the second project, the River Friendly Farms Program for the Neshanic Watershed. The Neshanic Watershed has the most concentrated area of preserved farmlands in the Raritan Basin area. The River Friendly Farms program is also being developed and implemented in the Spruce Run Reservoir and the upper South Branch Raritan watersheds. Mr. Mai moved the Resolution authorizing the Executive Director to execute an agreement with the North Jersey Resource Conservation & Development Council regarding the project: Riparian Restoration Plan for Agricultural Lands in the Raritan Basin and the Resolution authorizing the Executive Director to execute an agreement with the North Jersey Resource Conservation & Development Council regarding the project: River Friendly Farms for the Neshanic Watershed. Mrs. Blew seconded both resolutions. All Authority members approved the resolutions.

Mr. Scangarella provided the background information on the three resolutions regarding land acquisitions. Mr. Scangarella gave the location of each property, the purchase price and identified the partners, if any, for each property. Mr. Scangarella stated that the three resolutions would authorize the purchases of the properties. Dr. Hsueh moved the Resolution authorizing the purchase of Block 14, Lot 4; Block 15, Lots 8, 9, 10, and 12; and Block 17, Lot 5 in Califon Borough, and Block 18, Lot 24 in Lebanon Township, Hunterdon County - a 30 acre parcel, the Resolution authorizing the purchase of Block 48, Lot 55 Bethlehem Township and Block 9, Lot 2.02 Union Township, Hunterdon County - a 71 acre parcel and the Resolution authorizing the purchase of Block 44, Lot 25, Bethlehem Township, Hunterdon County - a 46 acre parcel. Mr. Picco seconded the three resolutions. All Authority members approved the resolutions.

**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. Williams representing Middlesex Water Company and on behalf of the Water Users Association expressed appreciation to Executive Director Patterson for taking the time to discuss the rates for the Raritan Basin System and for agreeing to meet with the Water Users Association to further discuss the proposed rates for the Raritan Basin System.

Mr. Engler discussed the use of the recreational facilities at Spruce Run Reservoir.

Mr. Shope asked what would the proposed rate for the Raritan Basin. Mr. Patterson stated the published proposed rate for the Raritan Basin System would be \$235.00 per million gallons, and the source water protection rate would increase from \$13.00 to \$15.00. Mr. Shope expressed his opinion with regard to the use of the source water protection funds. Mr. Shope also questioned who the North Jersey Resource Conservation & Development Council was, and what they did. Dr. Van Abs explained that through federal law there are resource development councils throughout the country and they provide groups of local soil conservation districts the help they need to obtain funds that would not be available to the local soil conservation district, they also provide technical support to the local farmers.

Mr. Eithoven asked about the location of the four dams at the Spruce Run Reservoir and who is responsible for the care of the dams. Mr. Buss stated that there is one Spruce Run Dam and that there are two dikes. Mr. Eithoven was provided this information after Board Meeting.

**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 2:49 P.M.

I hereby certify this to be a true and original copy of the November 6, 2006 New Jersey Water Supply Authority meeting minutes.

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Joanna K. Stem