



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the
New Jersey Water Supply Authority
February 6, 2017

A regular meeting of the New Jersey Water Supply Authority was convened on February 6, 2017 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 Bob Martin, Commissioner New Jersey Department of Environmental Protection and Chair New Jersey Water Supply Authority, Jeffrey Hoffman, State Geologist, Division of Water Supply and Geoscience, served as Acting Chair of the meeting and called the meeting to order.

Deputy Attorney Jung Kim read the statement required by the "Open Public Meetings Act".

Executive Director Beth Gates took the roll call of the Authority members.

Present: Jeffrey Hoffman, Acting Chair
Susan Blew
Ellsworth Havens
Shing-Fu Hsueh - by phone
Robert Iacullo - by phone
Louis Mai - absent
Steven J. Picco - by phone

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Oleg Kostin, New Jersey American Water
Charles Engler, Friends of Spruce Run
Robert Barth, D&R Canal Watch
Edward Walker, East Brunswick Water Supply
Dave Shope, Resident
David Brogel, Middlesex Water Company
Gordon Sell, Hunterdon Sailing Club

Authority Staff Present:

Beth Gates, Executive Director
Michelle Rollman, Executive Secretary II
Marc Brooks, Chief Engineer
Kenneth Klipstein, Director Watershed Protection Programs
Susan Buckley, Controller
Paul McKeon, Director Manasquan Water Supply System
Julie Shelley, Permit/Property Administrator
Labinot Berlajolli, Governor's Authorities Unit
Jung Kim - Deputy Attorney General

APPROVAL OF THE MINUTES

Acting Chair Jeffrey Hoffman opened the meeting by asking for the approval of the minutes of the December 5, 2016 meeting. Mr. Havens moved for the approval of the minutes as prepared and this motion was seconded by Ms. Blew. The minutes of the December 5, 2016 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Ms. Gates introduced and welcomed Labinot Berlajolli from the Governor's Authorities Unit.

Ms. Gates stated that the public hearings on the FY2018 Rates were held on Thursday, February 2, 2017 for the Manasquan System and Friday, February 3, 2017 for the Raritan System. Ms. Gates stated that the hearings went well and thanked Mr. Picco and Mr. Havens for acting as the Hearing Officers. Ms. Gates noted that no issues were raised during the hearings. In response to a question by Mr. Hoffman, Ms. Gates indicated that the hearings were not well attended, but that New Jersey American Water submitted a statement for the record for the Raritan hearing.

Ms. Gates noted that members of the Board were provided with a copy of revised committee assignments and a revised agenda.

COMMUNICATION/CORRESPONDENCE

Ms. Gates stated that there were no communications or correspondence received.

UNFINISHED BUSINESS

Mr. McKeon reported on the Manasquan Reservoir System and the Manasquan Water Treatment Plant/Transmission System. Mr. McKeon stated that everyone has a copy of the Operations Report for the Manasquan Reservoir System. Mr. McKeon stated that there has been significant rainfall in Monmouth County and that the Reservoir is

full. New Jersey American Water is offline for the expansion of their Oak Glen plant and is therefore not currently taking their fully contracted amount of water.

Mr. McKeon stated that operations are running smoothly. Mr. McKeon stated that the distribution wall has been in use to keep the Water Treatment Plant on reservoir water and provide river water to New Jersey American Water, thereby making valuable use of the investment.

Mr. McKeon reported that the refurbished intake pump has been re-installed and will be back in service within the next few days. The variable frequency drive has also been re-installed.

Mr. McKeon reported on three change orders which were approved by the Chairman of the Capital Projects Committee including an additional shaft replacement for the refurbished intake pump; a credit from the contract with Independence Constructors, Inc. for the return of an electrical breaker and control box relative to the fuel dispensing and inventory control system upgrade project; and adjustments for the distribution system piping improvements project for pipe re-alignment, increased concrete work, and a credit for redundant software.

Mr. Brooks reported on the Raritan Basin System. Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks stated that despite recent weather, the reservoirs are recovering very slowly. Spruce Run Reservoir has risen from its November low point of 248.66 feet to 254 feet which is 19 feet below full pool and 44 percent of capacity. Mr. Brooks stated that on December 15, 2016 staff began pumping to Round Valley Reservoir but that only 362 million gallons were moved to the reservoir during the first five weeks of pumping. During the recent nor'easter, an additional 276 million gallons were pumped to the reservoir resulting in an increase of only one foot of elevation. Round Valley is at 24 feet below full pool with 36.91 billion gallons, comprising 67 percent of capacity. The combined reservoir capacity is at 63 percent while it is typically 91 percent for this date.

Mr. Brooks stated that the Watershed group is moving forward with the solicitation of a consultant to recommend and implement a plan to abate the Hydrilla in the Canal. The necessary approvals have been received and USGS has installed a flow meter on the canal at Washington's Crossing which will provide information needed to choose and implement the most appropriate Hydrilla management measure.

Mr. Brooks discussed the Round Valley Dam Rehabilitation Project. Mr. Brooks stated that a contract was executed with the engineering consultant who will act as the engineer of record and a

week-long kickoff meeting was held during the week after Thanksgiving. Exploratory borings are well under way at the North and South Dams and staff is working with a subcontractor to the engineering consultants to identify potential borrow areas.

Mr. Brooks stated that, with Board approval, a contract was executed on January 9 with MatrixNewWorld, the consulting engineer for the South Branch Pump Station pond dredging project. A kickoff meeting was held on January 19 and bathymetric surveys of the pond have been completed.

Mr. Brooks stated that the Authority engineering staff has just completed inspections of the structures along the entire canal which were done during the winter months while the vegetation is low. During inspections, staff identified a seepage condition that is ongoing at the Griggstown Wastegate. Mr. Brooks stated that penetrations through embankments are known to be highly susceptible to seepage and ultimately can lead to breach conditions. Further evaluation of the area identified low areas in the towpath and a settled part of the fence. Mr. Brooks provided photographs which were passed to the Board. Mr. Brooks noted that Canal maintenance personnel repaired a sinkhole at the same location five years ago. Mr. Brooks stated that these factors indicate that piping, or movement of soil materials, has taken place. Mr. Brooks also noted that this wastegate is not far from the end of the Canal where major customers of the Authority are located and that these facts, along with the current drought warning, make it more of an emergent situation. Mr. Brooks stated that, following discussions with the Deputy Attorney General, the Director has declared this situation an emergency in accordance with Executive Order 37.

Mr. Brooks stated that Executive Order 37 would typically allow staff to choose an engineer and a contractor and begin work immediately. In this case, however, Mr. Brooks recommended a modified procurement where fee proposals and technical approaches will be received from three pre-qualified consultants with geotechnical experience and experience on Canal projects; and construction bids will be received later from at least three contractors. The modified procurement was approved by Acting Chair Kennedy and the three-member Capital Projects committee and an RFP will be issued to three engineering consultants.

Mr. Brooks indicated that an additional seepage area was identified in Lambertville but that there is no indication of moving soil in this area. Mr. Brooks stated that this seepage area is not being considered an emergency situation at this time, but that it will continue to be monitored.

Mr. Brooks reported on a change order to the construction contract for rehabilitation of Pumps 1 and 6 at South Branch Pumping

Station with Longo-Electrical-Mechanical. Mr. Brooks described OSHA requirements regarding coupling guards that prevent injury to employees during pumping operations. The change order provides for the contractor to install new coupling guards to the four best functioning pumps in addition to the originally contracted guards for pumps 1 and 6. A fee proposal was submitted to the Authority in the amount of \$15,400 or \$3,850 each. The change order was approved by the Chair, Capital Projects Committee, bringing the total contract value from \$1,239,000 to \$1,288,481.60. The coupling guards were completed and installed.

Mr. Brooks reported on a change order to the contract with Hazen and Sawyer for professional engineering services required for repairs to Filter Number 1 at the Manasquan Water Treatment Plant. Mr. Brooks reviewed the history of the failure of the underdrain at the Manasquan Water Treatment plant and the procurement of the services of an engineer to design the repair on an emergency basis. Mr. Brooks discussed the discoveries that necessitated revisions to the original design assumptions. The change order provides for a modification of the design to include a stainless steel underdrain that is not held in place by grout, as well as the replacement of existing water delivery pipe in order to transfer uplift pressure. Mr. Brooks stated that the redesign caused a significant increase in design costs of \$26,380, but that because the stainless steel system requires less scrutiny during installation, the construction inspection budget was reduced by \$19,940 resulting in an overall increase in the contract of \$6,440. The change order was approved by the Chair of the Capital Projects Committee to amend the contract with Hazen and Sawyer by an amount of \$6,440 which raised the total value of the contract from \$76,716 to \$83,156.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that everyone has a copy of his report. Mr. Klipstein stated that the Hydrilla abatement technical approach bids were received. Mr. Klipstein indicated that staff is working to accelerate the process in order to present a resolution to the Board at the next meeting for a consulting contract. Mr. Klipstein highlighted the need to have a management plan in place for this upcoming growth season in order to effectively control Hydrilla and other aquatic invasive species.

NEW BUSINESS

Acting Chair Hoffman stated that at this annual organizational meeting the Authority elects a Vice Chair, Treasurer and Secretary; and the Committee structure and members are assigned.

Acting Chair Hoffman nominated Steven J. Picco for Vice Chair, Louis C. Mai for Treasurer and Shing-Fu Hsueh for Secretary. Acting Chair Hoffman asked if there were any nominations or discussion from

the floor. There were none. Acting Chair Hoffman moved Resolutions A, B, and C to elect Steven J. Picco as Vice Chair, Louis C. Mai as Treasurer and Shing-Fu Hsueh as Secretary. Mr. Havens seconded the motion. All Authority members approved the Resolutions.

Acting Chair Hoffman stated that the proposed Committees and their memberships are as listed on the revised resolution D: Capital Projects Committee, Mr. Havens, Chair with Mr. Picco and Mr. Mai as members; Personnel Committee, Ms. Blew, Chair with Mr. Picco and Mr. Havens as members; Insurance Committee, Dr. Hsueh, Chair with Mr. Mai and Ms. Blew as members; Audit Committee, Mr. Picco, Chair with Mr. Iacullo and Ms. Blew as members; Finance Committee, Mr. Mai as Chair with Mr. Iacullo and Mr. Havens as members; Watershed Lands Acquisition Committee, Ms. Blew as Chair with Dr. Hsueh and Mr. Iacullo as members, and Public Participation Committee, Mr. Iacullo, Chair with Ms. Blew and Mr. Havens as members.

Acting Chair Hoffman moved Resolution D concerning the appointment of Committee members for 2017. Ms. Blew seconded the motion. All Authority members approved the Resolution.

Mr. Brooks gave the background information on the Resolution ratifying the actions of the Executive Director in Executing a Construction Contract Required for the Emergency Filter Underdrain Repair of Filter No. 1 at the Manasquan Water Treatment Plant. Mr. Brooks stated that, following discussions with the Deputy Attorney General, the Director declared this situation an emergency in accordance with Executive Order 37. Mr. Brooks outlined the scope of work specified under the construction contract. Written approval to proceed with the procurement was provided by the three members of the Capital Project Committee and the Acting Chair of the Authority Board. Four bids were received on November 21, 2016 and the low bid of \$324,700 was provided by Allied Construction Group of Parlin, New Jersey. Design drawings have been approved and it is anticipated that the installation will begin in March.

Mr. Havens moved the Resolution ratifying the actions of the Executive Director in Executing a Construction Contract with Allied Construction Group of Parlin, New Jersey, in the amount of \$324,700.00 for construction of Emergency Filter Underdrain Repair of Filter No. 1 at the Manasquan Water Treatment Plant. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Brooks gave the background information on the Resolution Authorizing Amendment No. 1 to Contract WSA-C16023 for Professional Engineering Services required for the Round Valley Reservoir Dams - Rehabilitation and Resource Preservation Project. Mr. Brooks reviewed the history of the contract with Schnabel Engineering, the

Authority's engineer of record for the project. Mr. Brooks described the process through which Schnabel Engineering utilized additional data to determine the benefit of additional piezometer borings in the abutment groins of both the North and South Dams and the Dike. Mr. Brooks described the proposed technical and cost changes and noted that Gannett Fleming agreed that the additional borings are warranted. Authority staff recommends that a contract amendment be awarded to Schnabel Engineering of West Chester, Pennsylvania for a reimbursable cost not to exceed amount of \$238,155.00. This amendment would result in a change in the total contract amount from \$9,308,154.00 to \$9,546,309.00.

Mr. Havens moved the Resolution Authorizing Amendment No. 1 to Contract WSA-C16023 for Professional Engineering Services required for the Round Valley Reservoir Dams - Rehabilitation and Resource Preservation Project. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Ms. Shelley gave the background information on the Resolution authorizing submission of a loan application to the New Jersey Environmental Infrastructure Financing Program (NJEIFP) to finance the D&R Canal Dredging project from Kingston Lock to Amwell Road and an application to the Local Finance Board for approval of Authority participation in the NJEIFP. Ms. Shelley stated that in 2011 the Board approved the Authority's submission of an application to the EIFP for the canal dredging project which was scheduled to take place in fiscal year 2014. Ms. Shelley noted that the project was delayed primarily because of the issue of the re-use of the material that will be removed from the canal during the dredging process. The Authority has now settled into an agreement for a beneficial re-use site and the project is scheduled to move forward in fiscal year 2018. Staff recommends approval of a resolution authorizing the submission of an application to the NJEIFP and the Director of the Division of Local Government Services for a maximum amount not to exceed \$52 million.

Mr. Havens moved the Resolution authorizing submission of a loan application to the New Jersey Environmental Infrastructure Financing Program (NJEIFP) to finance the D&R Canal Dredging project from Kingston Lock to Amwell Road and an application to the Local Finance Board for approval of Authority participation in the NJEIFP. Mr. Picco seconded the motion for the Resolution. All Authority members approved the Resolution.

Ms. Gates gave the background information on the Resolution authorizing the Executive Director to negotiate and execute a contract with the Mount Olive Township for uninterruptible service from the Raritan Basin System. Ms. Gates stated that the resolution represents the transfer of the existing water allocation for the Morris Chase/Morris Hunt residential housing development in

Mount Olive Township from New Jersey American Water Company to Mount Olive Township at the same sales base of 0.065 million gallons per day, of which 0.010 mgd is deemed consumptive. Ms. Gates noted that the Water Allocation Permit Modification No. 160001 was issued by the NJ Department of Environmental Protection, Bureau of Water Allocation. Ms. Gates stated that a notice of Public Hearing was mailed to interested parties, advertised on the Authority's web site, and published in a number of New Jersey newspapers on October 13, 2016. A public hearing was scheduled on November 4, 2016 pursuant to N.J.S.A. 13:13-12.9. No comments were received.

Ms. Blew moved the Resolution authorizing the Executive Director to negotiate and execute a contract with the Mount Olive Township for uninterruptible service from the Raritan Basin System. Mr. Havens seconded the motion for 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 - no report

PUBLIC COMMENT

Mr. Engler introduced himself as long-time Friend of Spruce Run. Mr. Engler suggested that "outside thinking" be applied to the issue of low water levels in the Spruce Run Reservoir. Mr. Engler offered the example of perhaps bringing water from the Delaware River.

Mr. Barth introduced himself as a representative of the D&R Canal Watch. Mr. Barth distributed a list of Canal Watch activities for 2017. Mr. Barth invited everyone to attend.

Mr. Shope introduced himself as a resident of Lebanon Township. Mr. Shope suggested the encouragement of development throughout the state as a means of diminishing water consumption. Mr. Shope also inquired about the increase in the rate schedule and the application

to the NJEIFP, to which Ms. Gates responded that the increase and the application is in primarily in support of the Round Valley Dam Rehabilitation project.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Mr. Havens moved to adjourn the meeting. Ms. Blew seconded the motion. All Authority members approved the motion. The meeting was adjourned at 2:35 P.M.

I hereby certify this to be a true and original copy of the February 6, 2017 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman

Michelle Rollman
Executive Secretary II