

NEW JERSEY WATER SUPPLY AUTHORITY

P.O. BOX 5196 • CLINTON, N.J. 08809 • (908) 638-6121 • (908) 638-5241 (FAX)

Minutes of the Meeting of the New Jersey Water Supply Authority March 2, 2015

A regular meeting of the New Jersey Water Supply Authority was convened on March 2, 2015 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, Fred Sickels, served as Acting Chair of the meeting and called the meeting to order.

Senior Deputy Attorney General Helene Chudzik read the statement required by the "Open Public Meetings Act".

Executive Director Henry S. Patterson took the roll call of the Authority members.

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

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Robert H. Barth, D&R Canal Watch
Frank Falco, Middlesex Water and East Brunswick
Oleg Kostin, New Jersey American Water
Dave Shope, Self
Gordon Sell, Friends of Spruce Run

Authority Staff Present:

Henry S. Patterson, Executive Director
Zenona I. Puć, Executive Secretary II
Marc Brooks, Chief Engineer
Beth Gates, Director Finance and Administration

Susan Buckley, Controller
Paul McKeon, Manager Manasquan Reservoir System
Kenneth Klipstein, Director Watershed Protection Programs
Christopher Howard, Assistant Counsel, Authorities Unit
Julie Hajdusek, Property Administrator
Helene Chudzik - Senior Deputy Attorney General

APPROVAL OF THE MINUTES

Acting Chair Fred Sickels opened the meeting by asking for the approval of the minutes of the January 5, 2015 meeting. Mr. Havens moved for the approval of the minutes as prepared and this motion was seconded by Mrs. Blew. The minutes of the January 5, 2015 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson stated that maintenance staff has been very busy with snow removal and cold temperatures. Mr. Patterson stated that precautionary releases were being made to alleviate icing in the Raritan River. Mr. Patterson stated that there is a good snowpack in the Spruce Run watershed and plans are to pump into Round Valley this spring.

Mr. Patterson stated that the Public Hearings for the Raritan Basin and the Manasquan Reservoir System's Rates were held. Mr. Patterson thanked Commissioner Iacullo and Commissioner Havens who served as Hearing Officers for the Public Hearings.

Mr. Patterson stated that the 2014 Annual Report has been posted on the Authority's website as required by Legislation.

Mr. Patterson stated that Marc Brooks has served as the Authority's new Chief Engineer since January 2015.

Mr. Patterson asked the Board members to kindly fill out the State Ethics Commission outside employment questionnaires that are at their places.

UNFINISHED BUSINESS

Mr. McKeon stated that everyone has a copy of the Operations Report for the Manasquan System. Mr. McKeon stated that everything is quiet and that the Reservoir is full and frozen. Mr. McKeon stated that three days in February flow rates to customers were reduced by 50 percent while the raw water valve and its controller were replaced. Mr. McKeon stated that the valve has been installed.

Mr. Brooks stated that everyone has a copy of the Operations Engineering Report for the Raritan Basin System. Mr. Brooks stated that Spruce Run Reservoir is at 57.2 percent of capacity and Round Valley Reservoir is at 88.6 percent of capacity. Mr. Brooks stated that plans are to pump into Round Valley this spring.

Mr. Brooks stated that the Technical Review Board (TRB) recommended installation of additional rockwells and piezometers at both Spruce Run and Round Valley Reservoirs, performance of a side scan sonar survey at Spruce Run, and the functionality testing of the piezometers at Round Valley. Mr. Brooks stated that this work has been completed and that reports are pending. Mr. Brooks stated that soils testing and subsequent analyses of the samples taken during the piezometer installation are ongoing. Mr. Brooks stated that remote visual inspection of the toe drain pipes is being coordinated for early in March. Mr. Brooks stated that the TRB plans to meet again in June.

Mr. Brooks stated that refurbishment of Pump Assemblies #1 and #6 at the South Branch Pumping Station has been completed by the contractor. Reinstallation of the pumps has been delayed due to problems encountered with the factory acceptance testing by the contractor. A new method for factory acceptance testing has been proposed and the pumps should be delivered soon.

Mr. Brooks stated that rehabilitation at the Canal Field Office is in progress. The contractor has been working on the drainage improvements, installing catch basins, disassembling the gas island and waiting for the weather to improve to do final paving and roof replacement.

Mr. Brooks reported on the Cherry Tree Lane Spillway at the Canal and stated that as reported at previous Board meeting, Kyle Conti Construction was hired on an emergency basis for a total cost of \$25K. The work was completed in less than two weeks. Mr. Brooks stated that concrete was placed over the Canal by pumper truck to support the structure and alleviate immediate concerns. Mr. Brooks also stated that full repairs continue to be designed by the consultant and the Authority expects to have schematic designs by early to mid-March.

Mr. Brooks reported on the embankment work at Bulls Island to Prallsville Lock and Stockton. Mr. Brooks stated that both projects are ongoing at various stages of the schematic design.

Mr. Brooks stated that all Change Orders less than \$25K must be approved by the Chair of the Capital Projects Committee and reported to the Board. The following change orders were approved in recent months: 1) Change Order #1 with 3R Painting and

Contracting for work on the 120' X 50' Storage Structure at Manasquan increase amount of \$3,603.60 bringing the new total amount to \$379,533.60; 2) Contract amendment with the engineering consultant for the Cherry Tree Lane Spillway Rehabilitation emergency work and design of retaining wall not included in original scope of services increased the amount the contract by \$24,233.63 for Johnson Miriman and Thompson, Inc. bringing the total amount to \$228,881.63; 3) Contract amendment with engineering consultant for Swan Creek Aqueduct work for unforeseen conditions at the site after the engineer thought to have completed the project, increase amount of \$614.40 bringing the total amount to \$144,655.40; 4) Construction contract for the Rehabilitation of the Canal Field Office. A contractor provided a Credit Change Order #1 for the omission of paving and curbing. A Credit Change Order for Scozzari Builders amounted to \$21,992.00 reducing the total contract amount to \$1,037,708; 5) Contract amendment for the engineering consultant for design work associated with the Rehabilitation of the Canal Field Office for Hatch Mott MacDonald in the amount of \$2,500 bringing new total amount to \$142,028.00. Mr. Brooks addressed the question asked by Mr. Mai concerning the last contract amendment.

Mr. Klipstein stated that everyone has a copy of his report. Mr. Klipstein stated that the Authority has been a member of the NJ Domestic Security Preparedness Task Force - Water Sector Security Working Group. Mr. Klipstein stated that with recent incidents and other threats to the water supply industry, the focus is on making sure that the Source Water Assessment work that was completed in 2004 is up-to-date and usable in an emergency respond situation. The Task Force Group met with NJDEP to discuss issues related to this data and it's public accessibility including to those that might present a potential threat. Mr. Klipstein stated that, as a follow up to the Working Group meeting, staff met with NJDEP Bureau of GIS to lay the groundwork for updating inventories and model runs of NJDEP's 2004 Source Water Assessment datasets as they apply to the Authority's source water areas of interest.

NEW BUSINESS

Acting Chair Sickels 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 Sickels requested that Resolutions A, B, C, & D be moved as a block with one motion and that he would nominate the entire slate. There was no opposition to Acting Chair Sickels' request

Acting Chair Sickels nominated Steven J. Picco for Vice Chair, Louis C. Mai for Treasurer and Shing-Fu Hsueh for Secretary. Acting Chair Sickels asked if there were any nominations from the floor, hearing none, Acting Chair Sickels moved the Resolutions concerning the Vice Chair for the New Jersey Water Supply Authority, the Resolution concerning the Treasurer for the New Jersey Water Supply Authority and the Resolution concerning the Secretary for the New Jersey Water Supply Authority.

Acting Chair Sickels stated that the Committees and their memberships are: Capital Projects Committee, Mr. Havens, Chair with Mr. Picco and Mr. Mai as members; Personnel Committee, Mrs. Blew, Chair with Mr. Picco and Mr. Havens as members; Insurance Committee, Dr. Hsueh, Chair with Mr. Mai and Mrs. Blew as members; Audit Committee, Mr. Picco, Chair with Mr. Iacullo and Mrs. Blew as members; Finance Committee, Mr. Mai as Chair with Mr. Iacullo and Mr. Havens as members; Watershed Lands Acquisition Committee, Mrs. Blew as Chair with Dr. Hsueh and Mr. Iacullo as members, and Public Participation Committee, Mr. Iacullo, Chair with Dr. Hsueh and Mr. Havens as members.

Acting Chair Sickels requested that Resolutions A, B, C, & D be consolidated and moved with one motion. Acting Chair Sickels nominated the entire slate. Mr. Iacullo seconded the motion. All Authority members approved of the Resolutions. Acting Chair Sickels thanked all Authority Commissioners, Board members and staff for their work and efforts.

Ms. Gates referred to the staff memo on the Unaudited Financial Statements for the six months ending December 31, 2014. Ms. Gates stated that the Authority has 45 days after the close of the 6-month period to publish the report. Ms. Gates stated that the Authority has met its goals in terms of revenues and expenses and there are no concerns over the past six months. Ms. Gates stated that the Annual Report has been completed and can be viewed on the Authority's website. Ms. Gates stated that Board action is not required.

Ms. Gates provided the background information on the resolution ratifying the actions of the Executive Director's placement of the Authority's March 1, 2015 - March 1, 2016 Insurance Program. Ms. Gates reviewed the insurance program's total premium and discussed the policies, coverages, deductibles, policy limits and policy premiums. The Authority adopted Resolution No. 2174 at its December 1, 2014 meeting, authorizing the Executive Director to obtain quotations and to renew the insurance coverage effective March 1, 2015 with the permission of the Chair of the Insurance Committee. Mr. Patterson reviewed the entire insurance program with the Chair of the Insurance Committee

and received his approval prior to the placement of the insurance. Ms. Gates stated that the renewal numbers came in at \$1,503,919.00 a \$25,288 decrease relative to FY2014. Mr. Mai moved the Resolution ratifying the Executive Director's placement of the Authority's March 1, 2015 to March 1 2016 Insurance Program. Mr. Havens seconded the motion. All Authority members approved of this resolution.

Ms. Gates provided the background information on the Resolution authorizing the Executive Director to negotiate and execute a contract renewal with the Village Grande at Bear Creek for uninterruptible service from the Raritan Basin System. Ms. Gates stated that the Authority received an application from Village Grande at Bear Creek an uninterruptible supply of .082 million gallons per day (mgd), of which .074 mgd is deemed consumptive, for the period of March 1, 2015 through February 28, 2025. Ms. Gates stated that the water would be withdrawn from fifteen (15) on-site wells located in the Township of West Windsor and used for irrigation purposes. Ms. Gates stated that Village Grande at Bear Creek has met the standards imposed on the applications. Ms. Gates stated that a notice of public hearing was mailed to interested parties on January 29, 2015 and a public hearing was scheduled on February 20, 2015. After no interested party responded, no objections were received from any party and because the Authority had no other independent issues of concern, the public hearing, scheduled for February 20, 2015 was canceled pursuant to N.J.S.A. 13:13-12.9.

Ms. Blew moved the Resolutions authorizing the Executive Director to negotiate and execute a contract renewal with the Village Grande at Bear Creek for uninterruptible service from the Raritan Basin System an Uninterruptible Service from the Raritan Basin System for the period of March 1, 2015 through February 28, 2025. Mr. Havens seconded the motion. All Authority members approved the resolutions.

Mr. Brooks provided the background information on the Resolution authorizing the Executive Director to purchase a fee simple interest in Block 9, Lots 3.02, 6, and 3.01 (portion), a 31.22+ acre parcel in Franklin Township, Somerset County that will serve as a potential staging area for the Dredging of the Delaware and Raritan Canal from Kingston to Amwell Road, Franklin Township, Somerset County. Mr. Brooks stated that the Authority will soon undertake a dredging project to remove sediment from 10.5-mile section of the D&R Canal from Kingston to Amwell Road. The Authority staff has determined that this property is the best option for a staging area for the dredging project. Mr. Brooks stated that Authority staff negotiated purchase of this property for the dredging project and at the conclusion of the project a contract will stipulate that the entirety of the acquired land

will be sold to Somerset County for the same price at which the Authority purchased it, \$852,774.30 or \$27,315.00 an acre. The purchase price was established from two appraisals conducted on the property by Somerset County and the current owner. Mr. Iacullo moved the Resolution authorizing the Executive Director to purchase a fee simple interest in Block 9, Lots 3.02, 6 and 3.01 (portion), a 31.22+ acre parcel in Franklin Township, Somerset County in the amount of \$852,774.30 or \$27,315.00 an acre to serve as a potential staging area for the Dredging of the Delaware and Raritan Canal from Kingston to Amwell Road, Franklin Township, Somerset County. Mr. Havens seconded the motion for the Resolution. All Authority members approved the Resolution. Mr. Brooks addressed questions asked by Authority members.

Mr. Brooks provided the background information on the Resolution authorizing the Executive Director to execute Change Order No. 1 to the construction contract for the Rehabilitation of the Swan Creek Aqueduct on the Canal in the City of Lambertville, Hunterdon County. Mr. Brooks stated that by Resolution 2112 dated July 1, 2013, the Authority entered into a contract with Adamsville Maintenance, Inc. of Hillsborough, NJ in the amount of \$694,800 for rehabilitating the Swan Creek Aqueduct. Mr. Brooks stated that due to the many unforeseen conditions, the actual quantities of work completed on several unit price items in the contract were decreased accordingly. A change order representing a net decrease in the contract by an amount of \$322,048.03 will result in a new contract total of \$372,801.97. Mr. Havens moved the Resolution authorizing the Executive Director to execute Change Order No. 1 to the construction contract for the Rehabilitation of the Swan Creek Aqueduct on the Canal in the City of Lambertville, Hunterdon County in the credit amount of \$322,048.30. Mr. Mai seconded the motion for the Resolution. All Authority members approved

Mr. Brooks provided the background information on the Resolution authorizing the award of a contract for Rebuilding two (2) 36KV Electrical Breakers at the Manasquan Water Supply System Facilities, Monmouth County. Mr. Brooks stated that this is needed because the breakers are 24 years old and past their anticipated service life. Mr. Brooks stated that leakage of arc suppression gas in the breakers could result in complete failure of the breakers and fire in the enclosure.

Mr. Brooks stated that advertisements for bids were published in three newspapers of general circulation and the advertisement was also posted on the Authority's and the State's websites. Mr. Brooks stated that one bid was received from Circuit Breaker Sales, Inc. of Seymour, Connecticut in the amount of \$65,500.00. Mr. Brooks stated that the Board authorize the Executive Director to enter into a contract with Circuit Breaker Sales, Inc., of

Seymour, Connecticut for the refurbishing of the breakers at the Manasquan Reservoir System for a lump sum and unit cost amount of \$65,500.00. Mr. Mai moved the Resolution authorizing the Executive Director to enter into a contract for Rebuilding two (2) 36KV Electrical Breakers at the Manasquan Water Supply System Facilities, Monmouth County for a lump sum and unit cost amount of \$65,500.00. Mr. Picco seconded the motion. All Authority members approved the resolution.

Mr. McKeon provided the background information on the Resolution Authorizing the award of a contract for replacement of seven existing 6070 personnel metal doors and seven existing 42"x48" extruded aluminum framed windows with screens and openers at the Manasquan Water Treatment Plant (MWTP), Wall Township, Monmouth County. Mr. McKeon stated that the Authority operates the MWTP for the Southeast Monmouth Municipal Utilities Authority (SMMUA). Mr. McKeon stated that by Resolution No. 1807, dated December 3, 2007, the Authority authorized a contract to be executed with Malcolm Pirnie for the preparation of an asset management plan and 20-year capital improvement plan for the MWTP. Mr. McKeon stated that as part of the process, the consultant inspected all significant assets and systems in the MWTP. The asset management plan and 20-year capital improvement plan recommended replacement of existing exterior doors, door frames and windows worn from 24 years of use at the MWTP.

Mr. McKeon stated that advertisements for bids were published in three newspapers of general circulation and the advertisement was also posted on the Authority's and the State's websites. Five (5) bid packages were received and opened; 1) Hance Construction, Inc, no bid; 2) Smitty's Door Service, Inc., \$48,125.00; 3) NJ Overhead Door, \$62,800.00; 4) Fenton Construction Company, Inc., \$79,210.00; and 5) A Plus Glass, \$80,730.00. Staff recommended that the award of the contract for replacement of the doors and windows be made to Smitty's Door Service of Pittstown, NJ for a lump sum cost of \$48,125.00. Mr. Havens moved the Resolution authorizing the Executive Director to enter into a contract for replacement of seven existing 6070 personnel metal doors and seven existing 42"x48" extruded aluminum framed windows with screens and openers at the Manasquan Water Treatment Plant, Wall Township, Monmouth County to Smitty's Door Service of Pittstown, NJ for a lump sum cost of \$48,125.00. Mr. Iacullo seconded the motion. 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. Barth invited all to view the D&R Canal Website and see the new list of activities available to the public. Mr. Barth commended the Authority on the refurbishing of the two gas-filled high voltage electrical breakers at the Manasquan Reservoir.

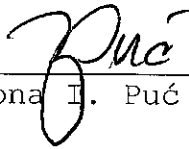
Mr. Shope referred to Item G of the agenda and expressed his concerns.

EXECUTIVE SESSION

There was no need for an Executive Session.

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

I hereby certify this to be a true and original copy of the March 2, 2015 New Jersey Water Supply Authority meeting minutes.



Zenona I. Puć