



## NEW JERSEY WATER SUPPLY AUTHORITY

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### Minutes of the Meeting of the New Jersey Water Supply Authority

December 7, 2020

A regular meeting of the New Jersey Water Supply Authority was convened on December 7, 2020 at 2:00 P.M. by teleconference.

As designated by Catherine R. McCabe, 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 General Kathrine Hunt read the statement required by the "Open Public Meetings Act". Executive Director Marc Brooks took the roll call of the Authority members.

Present: Jeffrey Hoffman, Acting Chair  
Susan Blew  
Ellsworth Havens  
Robert Iacullo

Absent: Steven Picco

A quorum existed for the transaction of Authority business.

#### Interested Parties Present:

Robert Barth, D&R Canal Watch  
David Brogle, Middlesex Water

#### Authority Staff Present:

Marc Brooks, Executive Director  
Susan Buckley, Director Finance and Administration  
Darin Shaffer, Chief Engineer  
Paul McKeon, Director Manasquan Water Supply System/D&R Canal  
Kenneth Klipstein, Director Watershed Protection Programs  
Rita Shaw, Controller  
Michelle Rollman, Finance & Accounting Analyst  
Kathrine Hunt, Deputy Attorney General  
Lauren LaRusso, Governor's Authorities Unit

## APPROVAL OF THE MINUTES

Acting Chair Hoffman asked for a motion for approval of the Minutes of the November 2, 2020 meeting. Ms. Blew moved the motion approving the Minutes as prepared and the motion was seconded by Mr. Iacullo. The Minutes of the November 2, 2020 meeting were approved by the Board.

## EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks provided an update on the status of employees who have tested positive or are quarantining because of COVID-19.

Mr. Brooks discussed a socially distant tour of the Manasquan facilities, hosted by the Authority, in coordination with the NJDEP, on November 17. The tour participants were state assembly members and their staffs who are part of the Special Committee on Infrastructure and Natural Resources. Several members from NJDEP also attended as did two staff members from the Governor's office.

Mr. Brooks stated that Executive Orders continue to permit all Authority construction projects to continue. Mr. Brooks noted that the contractor and the engineer of the Round Valley Rehabilitation Project have each had COVID-19 cases among their staff. Social distancing, open communication and contact tracing have been successful in curtailing spread on the site.

Mr. Brooks discussed rainfall at Spruce Run and at Manasquan, which was above average in both places for the month of November.

## COMMUNICATIONS/CORRESPONDENCE

Mr. Brooks stated that there was one item of communication; an article written by Jon Hurdle, published in NJ Spotlight on November 11, entitled "Trump's Bedminster Golf Club wants to keep pulling water from the Raritan Basin."

## 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 his report. Mr. McKeon stated that the reservoir is at 86 percent of capacity and has been rising. Mr. McKeon anticipates that the reservoir will be at full capacity by the end of the year or in early January. Mr. McKeon stated that operations in the Manasquan System were normal and that there have been no recent events of significance.

Mr. Shaffer reported on the Raritan Basin System. Mr. Shaffer stated that everyone has a copy of his report. Mr. Shaffer stated

that as of today, Spruce Run is at elevation 271.5 or 94 percent of capacity. Round Valley, which is drawn down for the rehabilitation project, is at elevation 360.3 or 66.1 percent of capacity. The combined reservoir capacity is 70.8 percent. The typical combined capacity for this date is 88.3 percent.

Mr. Shaffer stated that Canal operations are normal for this time of year. Mr. Shaffer noted that last week, a significant leak through the canal embankment was observed by canal staff in Franklin Township. Staff was able to promptly halt the leak and repair the embankment by temporarily lowering the canal, installing a clay blanket on the upstream side and a clay cutoff trench in the center of the embankment. A smaller embankment leak was recently observed in the vicinity of the Brookville Wastegate in Stockton. The Authority is monitoring and evaluating this condition while making preparations for repair. Maintenance activities continue to be prioritized and coordinated each day. Using staggered start times, staff continues to operate at normal capacity while maintaining social distancing.

Mr. Shaffer discussed the Canal Dredging Project. Dredging operations in Reach 6, the final Reach, were completed on Saturday, December 5. Equipment demobilization from the canal will begin this week. Sediment transportation from the dewatering site to the beneficial reuse site will begin in January and continue for several months. The volume of dredged sediment cannot be confirmed until a final survey is completed; however, the Authority anticipates being under the bid quantity based on analysis to date. Final completion is expected by early summer.

Mr. Shaffer reported on the Round Valley Reservoir Dams Rehabilitation and Resource Preservation Project. The embankment rehabilitation work remains focused on the Dike. The sand and stone filter drain is completely installed in the toe trench and in both groins. The filter drain has also been tied into the existing blanket drain. The contractor is now poised to extend the filter drain up the embankment slope and continue placement of earthfill above the filter.

Mr. Shaffer discussed other project elements including stockpiling of filter sand and stone, construction of erosion and sediment control measures at the South Dam, and ancillary work on the towers and vaults. Mr. Shaffer noted that there have been four positive COVID-19 cases at the project among the contractor's and consulting engineer's staff over the last month. The cases all appear to be unrelated to each other and were appropriately handled to prevent spread of the virus. County Route 629 remains closed to all traffic and the public within the project area between the Dike and Old Mountain Rd.

Mr. Shaffer stated that the Dredging of the Intake Pond at the

South Branch Pump Station is now complete. The contractor has completed all tasks and restored the site. A total of 35,000 cubic yards of accumulated sediment was removed from the pond and hauled to an approved off-site facility. The pond is refilled and available for pumping.

Mr. Shaffer stated that the Island Farm Weir project contractor has been working since late October on tree removal, embankment repairs and additional armoring of the embankment. This work is expected to take less than two months to achieve substantial completion.

Mr. Shaffer stated that there are no change orders to be included in his report and offered to answer any questions.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that everyone has a copy of his report. Mr. Klipstein stated that Authority staff is working on preliminary designs with the contractor for the Spruce Run Biochar Project. The designs analyze the feasibility of installing biochar socks that will capture nutrients which contribute to harmful algal blooms as they come into the Spruce Run Reservoir from the Mulhockaway Creek. Authority staff is meeting with representatives from New Jersey State Parks and New Jersey Fish and Wildlife to begin the approval and permitting processes for the work which will be conducted on land under their jurisdiction. Mr. Klipstein anticipates a March project installation.

#### NEW BUSINESS

Ms. Shaw provided a staff report on the unaudited financial statements at September 30, 2020. Ms. Shaw noted that the financial statements have been distributed to all interested parties and are available on the Authority website as required by bond resolutions.

Ms. Shaw stated that the financial statements for the three months ending September 30, 2020 show favorable results of operations. The change in net position was \$2.5 million in comparison to \$2.9 million for the same period last year. Income from operations for the three months totaled \$2.6 million which is a decrease of \$89 thousand from this time last year. Total Operating Revenue of \$8.1 million and total Operating Expenses of \$5.4 million are in line with the budget for the period. A decrease in non-operating revenue is due to a decrease in the fair market value of our long term investments and a reduction of interest income, reflecting a drop in interest rates over the period. Ms. Shaw offered to answer questions and Mr. Brooks stated that no Board action was required.

Ms. Buckley provided the background information on the resolution approving the Annual Report of the New Jersey Water

Supply Authority for 2020. Ms. Buckley stated that everyone has a copy of the Authority's Annual Report for fiscal year 2020. Authority statute and Executive Order 37 require that the Authority issue an Annual Report by the last day in February. Ms. Buckley stated that the report must address several items, which include a report and review of operations and actions of the Authority, audited financial statements, discussion of internal financial controls, efficiencies, and tie-in to the State's economic growth. All of the required items have been included in the Annual Report. Upon board approval, the annual report will be posted on the Authority's website and provided to the required parties.

Mr. Iacullo moved the resolution approving the 2020 Annual Report of the New Jersey Water Supply Authority. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. McKeon provided background information on the resolution authorizing the award of a contract for the replacement of 40,000 pounds of granular activated carbon at the Manasquan Water Treatment Plant. Mr. McKeon stated that by agreement with the Southeast Monmouth Municipal Utilities Authority, the Authority provides for the regular replacement of granular activated carbon. Mr. McKeon described the use and need for the material. Mr. McKeon described the bid process in which three bid packages were received for consideration. Mr. McKeon stated that staff reviewed the bids for content, adherence to technical specifications and completeness and found the low bid from Nichem Company to be in compliance and in line with the approved budget. Mr. McKeon stated that Nichem Company has provided the material several times over the past ten years.

Ms. Blew moved the resolution authorizing the Executive Director to enter into a contract with Nichem Company of Newark, New Jersey to furnish all labor, equipment and materials necessary for granular activated carbon replacement at the Manasquan Water Treatment Plant for a lump sum of \$50,000. Mr. Iacullo seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Klipstein provided background information on the Resolution authorizing the Executive Director to execute an agreement with the New Jersey Department of Environmental Protection for the project "Watershed Restoration and Protection Plan for Spruce Run Reservoir." Mr. Klipstein stated that in August 2020, the Authority was awarded \$80,000 in Watershed Restoration Grant funding from the New Jersey Department of Environmental Protection to implement the project proposal. The proposed resolution will allow the Authority to enter into the agreement and begin project work.

Mr. Havens moved the Resolution to authorize the Executive Director to enter into a contract agreement with the New Jersey Department of Environmental Protection for the Authority's participation in the project "Watershed Restoration and Protection Plan for Spruce Run Reservoir. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Brooks provided background information on the Resolution to adopt the New Jersey Water Supply Authority meeting schedule for 2021. Mr. Hoffman stated that the dates were distributed with the Board package and asked for any questions or discussion. Ms. Blew moved the Resolution to adopt the New Jersey Water Supply Authority meeting schedule for 2021. Mr. Havens seconded the motion for the Resolution. All Authority members approved the Resolution.

Acting Chair Hoffman stated that the Authority annually elects a Vice Chair, Treasurer, Secretary and Assistant Secretary.

Acting Chair Hoffman nominated Steven Picco for Vice Chair, Robert Iacullo for Treasurer, Susan Blew for Secretary and Ellsworth Havens for Assistant Secretary. Acting Chair Hoffman asked if there were any other nominations or discussion from the floor. There were none. Mr. Iacullo moved the resolutions to elect Steven Picco as Vice Chair, Robert Iacullo as Treasurer, Susan Blew as Secretary and Ellsworth Havens as Assistant 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 in the resolution as it was distributed. Acting Chair Hoffman asked if there were any other nominations or discussion from the floor. There were none. Mr. Iacullo moved the resolution concerning the appointment of Committee members for 2021. Ms. Blew seconded the motion. All Authority members approved the Resolution.

Ms. Buckley provided background information on the resolution authorizing the Executive Director to negotiate and execute a contract with Trump National Golf Club for renewal of uninterruptible service from the Raritan Basin System. Ms. Buckley stated that the proposed contract renewal is for uninterruptible water supply for Trump National Golf course in Bedminster. The golf course has a ten-year contract with the Authority for 0.189 mgd of which 0.17 mgd is consumptive, for irrigation and potable water supply. The contract will expire on December 31, 2020. Ms. Buckley stated that as a result of the pandemic and pursuant to the Permit Extension Act, the New Jersey Department of Environmental Protection renewed the golf course's Water Allocation Permit with no change in terms and conditions for one year. Accordingly, a one year water purchase contract extension is being considered so that the Water Allocation Permit and the contract will be co-terminus.

Ms. Buckley stated that a public hearing was held on November 9, 2020 after objections to the contract were received from several parties. During the hearing, Trump Golf course representatives responded to the various objections raised. Staff recommends that the Board authorize the Executive Director to negotiate and execute this contract renewal.

Mr. Havens moved the resolution to approve the application of Trump National Golf Club, subject to the standard conditions, limitations and terms, and to authorize the Executive Director to execute the formal agreement. Mr. Iacullo 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 Committee - no report

#### PUBLIC COMMENT

There was no public comment.

#### EXECUTIVE SESSION

There was no need for an Executive Session.

#### ADJOURN

Ms. Blew moved to adjourn the meeting. Mr. Havens seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:30 P.M.

I hereby certify this to be a true and original copy of the December 7, 2020 New Jersey Water Supply Authority meeting minutes.

*Michelle Rollman*

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Michelle Rollman  
Finance and Accounting Analyst