



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the
New Jersey Water Supply Authority
March 7, 2016

A regular meeting of the New Jersey Water Supply Authority was convened on March 7, 2016 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, Karen Fell, Assistant Director Division of Water Supply and Geoscience, 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: Karen Fell, Acting Chair
Susan Blew
Ellsworth Havens
Shing-Fu Hsueh - by phone
Robert Iacullo - by phone
Louis Mai
Steven Picco - absent

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Robert H. Barth, D&R Canal Watch
William Maxwell, Middlesex Water and East Brunswick
Oleg Kostin, New Jersey American Water
Edward Walker, East Brunswick Water Supply

Authority Staff Present:

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

Susan Buckley, Controller
Paul McKeon, Manager Manasquan Reservoir System
Kenneth Klipstein, Director Watershed Protection Programs
Lisa LeBoeuf, Assistant Counsel, Authorities Unit
Helene Chudzik - Senior Deputy Attorney General

APPROVAL OF THE MINUTES

Acting Chair Fell opened the meeting by asking for the approval of the minutes of the February 1, 2016 meeting. Mr. Mai moved for the approval of the minutes as prepared and this motion was seconded by Ms. Blew. The minutes of the February 1, 2016 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson stated that everyone has a copy of his report. Mr. Patterson stated that the Authority continues to pursue the refunding of the 2005 Manasquan Revenue Bonds in order to take advantage of debt service savings. A Bond Resolution will be presented at the April meeting for approval. Commissioner Mai asked what the projected savings on the bond refinancing is. Ms. Gates stated that the net savings currently is 10.5 percent.

Mr. Patterson stated that a Resolution ratifying the placement of the Authority's Insurance Program will be prepared for the April 2016 meeting.

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 Manasquan Reservoir is full. Mr. McKeon stated that the Water Treatment Plant System is shut-down for a construction project. The project includes installation of a concrete wall with sluice gates in the distribution chamber that will provide separation of the reservoir and river raw water intakes.

Mr. Brooks stated that the drought watch has been lifted by the New Jersey Department of Environmental Protection. Mr. Brooks stated that rainfall was above average for February. Mr. Brooks stated that Spruce Run Reservoir is at 75.3 percent of capacity and Round Valley is at 80.5 percent of capacity.

Mr. Brooks stated that, as previously discussed, a pinhole leak was discovered in the release pipeline inside the Spruce Run vault. Mr. Brooks stated that the schematic design report and final design documents were received and reviewed by Authority staff. Mr. Brooks stated that six (6) contractors were asked if

they were interested in bidding, and that five (5) contractors expressed interest and attended the mandatory pre-bid meeting. Four (4) bids were received on March 3, 2016. Mr. Brooks stated that the low bidder was Allied Construction Corp. of Parlin, NJ at \$184,000.00. Mr. Brooks stated that staff is in the process of awarding a contract on an emergency basis to Allied Construction Corp. A resolution requesting ratification of the Executive Director's actions will be prepared for the next Board Meeting.

Mr. Brooks stated that staff is preparing to advertise for bids on the Cherry Tree Lane Spillway project within the next two weeks.

Mr. Brooks stated Authority staff has convened two Technical Review Boards in the past two years. Mr. Brooks stated that the Technical Review Board recommended rehabilitative measures to be taken at Round Valley that will ensure safe continued operation of the Round Valley Dams into the future. Mr. Brooks stated that Authority staff advertised a request for proposals soliciting engineering firms to design the rehabilitation work. Mr. Brooks stated that the procurement process is scheduled for the spring and into the summer of 2016. Mr. Brooks stated that it is anticipated that a Resolution requesting approval of a contract for the design consultant will be presented at the August 2016 Authority Board meeting.

Mr. Brooks reported on one change order for Hutton Construction for the Distribution Well Upgrades at the Manasquan complex. Mr. Brooks stated that in the original contract, the Contractor is coring a hole through the top of the tank to install a new level sensor in the second portion of the chamber that was created by the wall in the tank. Mr. Brooks stated that the Authority wants to improve on its existing level sensor. Mr. Brooks stated that the Authority requested a price from the contractor to drill a second core hole and provide an additional enclosure for the future level sensor. Mr. Brooks stated that the price quoted was \$1,660.57. Mr. Brooks stated that the change order was approved by the Chair of the Capital Projects Committee.

Mr. Klipstein stated that everyone has a copy of his report and that there was nothing to add.

NEW BUSINESS

Ms. Buckley referred to the staff memo on the Unaudited Financial Statements for the six months ending December 31, 2015. Ms. Buckley stated that the Authority has 45 days after the close of the 6-month period to publish the report. Ms. Buckley stated that revenues and expenses are on target for the fiscal year and there are no areas of concern. Ms. Buckley stated that the

unaudited financial statements can be viewed on the Authority's website. Ms. Buckley stated that no action is required by the Board today.

Ms. Gates provided the background information on the Resolution authorizing the re-adoption of the New Jersey Water Supply Authority Rules (N.J.A.C. 7.11). Ms. Gates stated that Chapter 11, subchapters 1 through 5, setting forth the Authority's operating rules, expire every seven years and will do so on March 13, 2016. Ms. Gates stated that the Authority has proposed the re-adoption of these Rules without change and that the notice will be published in the New Jersey Register on March 21, 2016 in compliance with the Administrative Procedures Act, N.J.S.A. 52:14B. Ms. Gates stated that secondary notice was sent to interested parties and posted on the Authority's website. Mr. Havens moved the Resolution re-adopting the New Jersey Water Supply Authority Rules (N.J.A.C. 7.11). Ms. Blew seconded this 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 extension with the Roxiticus Golf Club for uninterruptible service from the Raritan Basin System. Ms. Gates stated that the Authority received an application from Roxiticus Golf Club requesting an extension of Contract RBS-29 dated November 18, 2006, for uninterruptible service of 0.046 million gallons per day (mgd) for the purpose of aligning the contract expiration date with its Water Allocation Permit Modification (WAP07001). Ms. Blew moved the Resolution authorizing the Executive Director to negotiate and execute Amendment No. 1 to Contract RBS-29 extending the expiration date of the Contract from June 30, 2016 to June 30, 2019, one month following the permit expiration and concurrent with the end of the Authority's fiscal year. Mr. Mai seconded the motion. All Authority members approved the resolution.

Mr. Brooks provided the background information on the Resolution authorizing the Executive Director to execute Amendment Number 6 to Contract WSA-C09012 for Professional Engineering Services required for the Dredging of the Delaware and Raritan Canal from Kingston (Station 1862+00) to Amwell Road (Station 2418+00) in Franklin Township, Somerset County. Mr. Brooks stated that by Resolution No. 1946 dated March 1, 2010, the Authority entered into a contract with Urban Dredging Consultants Joint Venture (UDCJV) professional engineering services required for a reimbursable cost not-to-exceed amount of \$1,299,400. Mr. Brooks gave an overview of the amendments to UDCJV's contract as follows: Mr. Brooks stated that on June 4, 2012 Amendment No. 1 was executed in the amount of \$221,462 bringing the contract total to \$1,520,862; on June 3, 2013 Amendment No. 2 was executed in the

amount of \$150,885 bringing the contract amount total to \$1,671,747; on December 13, 2013 Amendment No. 3 was executed with approval of the Chair, Capital Projects Committee in the amount of \$14,000 bringing the contract amount total to \$1,685,747; on May 4, 2015 Amendment No. 4 was executed in the amount of \$74,569 bringing the contract amount total to \$1,760,316; on January 14, 2016 Amendment No. 5 was executed with approval of the Chair, Capital Projects Committee in the amount of \$10,000 bringing the contract amount total to \$1,770,316.

Mr. Brooks stated that UDCJV recently submitted a fee proposal in the amount of \$439,396 for additional work as noted in the Resolution to Amendment No. 6. Mr. Brooks stated that Authority staff reviewed their fee proposal and recommends that the contract of Urban Dredging Consultants Joint Venture be increased by \$439,396 bringing the contract amount to a reimbursable cost not-to-exceed \$2,209,712. Mr. Brooks indicated that due to the increased complexity expected during construction activities associated with dredging in the wet, it is anticipated that approval for another amendment would be requested for UDCJV within the next year. Mr. Havens moved the Resolution authorizing the Executive Director to execute Amendment Number 6 to Contract WSA-C09012 for Professional Engineering Services required for the dredging of the Delaware and Raritan Canal from Kingston (Station 1862+00) to Amwell Road (Station 2418+00) in Franklin Township, Somerset County by a reimbursable cost not-to-exceed amount of \$439,396 bringing the contract amount to a reimbursable cost not-to-exceed \$2,209,712. Mr. Mai seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. McKeon provided the background information on the Resolution authorizing the Executive Director to enter into a contract for the purchase of an 850-KVA variable frequency drive and related electrical improvements for the Manasquan Water System Facilities, Monmouth County. Mr. McKeon stated that as part of the planned capital improvement program for Fiscal Years 2012-2016 there is a need to replace one of the four 2400-Volt variable frequency drives that control the rotating speed of the reservoir fill pump motors. 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. Four (4) bids were received and evaluated by Authority staff. Authority staff recommended that a contract for the purchase and installation of a replacement variable frequency drive and related electrical improvements be awarded to Scalfo Electric Inc., of Vineland, New Jersey for a lump sum cost of \$174,600.00. Mr. Mai moved the Resolution authorizing the Executive Director to enter into a contract for the purchase of an 850-KVA Variable Frequency Drive and related electrical improvements for the Manasquan Water System Facilities, Monmouth

County for a lump sum cost of \$174,600.00. Ms. Blew seconded the motion. All Authority members approved the resolution.

Commissioner Mai asked if the 2400-Volt variable frequency drives that control the rotating speed of the reservoir fill pump motors are going to be part of a rotation through all of the pumps. Mr. McKeon stated that Authority staff would use the spare parts from the replaced unit on the remaining units and that the other variable frequency drives will be repaired as necessary on a case by case basis.

Mr. McKeon provided the background information on the Resolution authorizing the award of a contract for the replacement of 40,000 pounds of granular activated carbon (GAC) at the Manasquan Water Treatment Plant to Carbon Activated Corporation of Blasdell, NY. Mr. McKeon stated that in the past, the Authority had been replacing 40,000 pounds of granular activated carbon housed in two of the six contactors at the Manasquan Water Treatment Plant on an annual basis. This process effectively created a change-out schedule of the GAC on a three year basis. Mr. McKeon stated that, based on a recommendation from a consulting engineer, the Authority intends to decrease the change-out frequency to once every four years or longer. Mr. McKeon explained that advertisements for bids were published in three (3) newspapers of general circulation and the advertisement was also posted on the Authority's and the State's websites. Four (4) bids were received and opened. Mr. McKeon provided the details of the amounts of the bids received and the amount budgeted for this project. Ms. Blew moved 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 with Carbon Activated Corporation of Blasdell, NY for a lump sum of \$46,800.00. Mr. Havens seconded the motion. All Authority members approved of this resolution.

Mr. Klipstein provided the background information on the Resolution authorizing the Executive Director to execute agreements with the Natural Resources Conservation Service (NRCS) and Hunterdon Land Trust (HLT) for the Regional Conservation Partnership Program project: Mr. Klipstein stated that the Authority and its partners, HLT and Hunterdon County, submitted a proposal for competitive funding to the US Department of Agriculture Natural Resource Conservation Service last year. Mr. Klipstein stated that the application was one of 84 accepted nationally and will direct \$700,000 in Federal Regional Conservation Partnership Program funds to conservation projects in the South Branch Raritan River, Lockatong Creek and Wickecheoke Creek Watersheds. Mr. Klipstein stated that under the project agreement, a total of \$1,254,170 will be expended over a period of three years. Mr. Klipstein stated that NRCS will provide \$700,000

towards the project. The Authority will provide a total of \$314,000 to the project and HLT and Hunterdon County will contribute \$10,170 and \$230,000 to the project. Mr. Havens moved the Resolution authorizing the Executive Director to execute agreements with the Natural Resources Conservation Service and Hunterdon Land Trust for the Regional Conservation Partnership Program project "Raritan Basin Partners for Source Water Protection". Mr. Mai seconded the motion. All Authority members approved of this resolution.

Commissioner Havens asked where the Wickecheoke Creek was located. The Wickecheoke Creek flows through Hunterdon County and discharges into the D&R Canal at Prallsville Mill in Stockton, NJ.

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

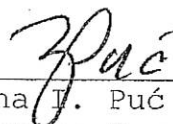
There were no public comments.

EXECUTIVE SESSION

There was no need for an Executive Session.

Mr. Havens moved to adjourn the meeting. Mr. Mai 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 March 7, 2016 New Jersey Water Supply Authority meeting minutes.



Zenona I. Puć
Executive Secretary II