



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the
New Jersey Water Supply Authority
March 6, 2023

A regular meeting of the New Jersey Water Supply Authority was convened on March 6, 2023 at 2:00 P.M. via teleconference and 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 Shawn M. LaTourette, Commissioner, New Jersey Department of Environmental Protection and Chair, New Jersey Water Supply Authority, Patricia Ingelido, Director, 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: Patricia Ingelido, Acting Chair
Robert Iacullo
Susan Blew
Ellsworth Havens
Steven J. Picco

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Robert Barth, D&R Canal Watch
Oleg Kostin, New Jersey American Water
Frank Marascia, New Jersey American 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
Heather Desko, Senior Watershed Protection Specialist
Rita Shaw, Controller
Dorota Neulinger, Principal Accountant
Michelle Rollman, Finance & Accounting Analyst

Gerald Hoagland, Supervisor Information Technology
Kathrine Hunt, Deputy Attorney General
Thomas Holl, Associate Counsel, Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Patricia Ingelido opened the meeting by asking for the approval of the minutes of the January 9, 2023 meeting. Ms. Ingelido noted a correction to Resolution 2571, voted on at the January 9 Board meeting, which approved a change order to the construction contract for the Round Valley Project. The resolution correctly reported the value of the change order as \$155,760, but incorrectly identified the contract total as a result of the change order as \$65,523,662.03 while it should have been \$66,523,662.03. Ms. Ingelido stated that Mr. Brooks consulted with Deputy Attorney General Hunt who agreed that the noted changes were not consequential to the resolution as approved on January 9. Mr. Picco moved for the approval of the minutes as prepared, and this motion was seconded by Mr. Iacullo. The minutes of the January 9, 2023 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks introduced Thomas Holl from the Governor's Authorities Unit.

Mr. Brooks stated that rainfall recorded at the Spruce Run gage for January was 4.96 inches which was 1.79 inches above average. Rainfall recorded at the Spruce Run gage for February was 1.26 inches which was 1.44 inches below average. Rainfall recorded at Manasquan for January was 3.28 inches which was 0.11 inches below average. Rainfall recorded at Manasquan for February was 1.77 inches which was 1.15 inches below average.

Mr. Brooks stated that the combined storage at Spruce Run and Round Valley hit a record historical low at the beginning of October last year but releases from reservoirs have been at minimums since that time. Spruce Run Storage is at 86.3 percent and Round Valley Storage is at 58 percent. Combined storage is at 62.7 percent while the typical combined storage for this date is 91.1 percent.

Mr. Brooks reported that the pumps were turned on at the South Branch Pumping Station on February 27, following the procured, certified, high-voltage safety testing at the station on February 23. The Authority will transition to shiftwork at the Pump Station, with targeted 24/7 operations beginning this Saturday. The pumping will likely last from now until approximately June 1 with the goal being to replace 7.5 feet or 4.5 billion gallons of water which will return the Round Valley pool to elevation 360, or 25 feet below full pool.

COMMUNICATION/CORRESPONDENCE

Mr. Brooks stated that there were no items of communication 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 his reports. Mr. McKeon stated that operations are normal in the Manasquan system. Mr. McKeon stated that with recent rain, the Manasquan Reservoir is nearly full at 98.5 percent of capacity and that water quality is good. Mr. McKeon noted that he had nothing additional to report and offered to answer any questions.

Mr. Shaffer reported on the Raritan Basin System. Mr. Shaffer stated that everyone has a copy of his report. Mr. Shaffer discussed the combined storage in Round Valley and Spruce Run Reservoirs. Mr. Shaffer noted that Spruce Run is filling nicely through rainfall and based on past performance, it is anticipated that Spruce Run will fill by the summer. Authority staff are currently pumping water from the South Branch Raritan River to Round Valley with the expectation that the reservoir will be back to the construction pool elevation by summer. About 360 million gallons have been pumped since the start date last Monday.

Mr. Shaffer stated that Canal operations are normal for this time of year.

Mr. Shaffer reviewed the status of work on the Round Valley Reservoir Dams-Rehabilitation and Resource Preservation Project. The Authority is focusing on steps to maintain or improve the contractor's current schedule and anticipates that the South Dam will be substantially complete by the end of this year.

Mr. Shaffer discussed the Landing Lane Spillway Project. Mr. Shaffer stated that the contractor has poured most of the concrete shear block and toe slabs which are part of the foundation for the stone masonry and noted that the work is expected to continue through the spring.

Mr. Shaffer reported on the 6-Mile Run Culvert Rehabilitation Project. The project was advertised in February and bids are due March 23. Construction is expected to begin this summer and take approximately six months.

Mr. Shaffer noted that the Spruce Run Administration Building fuel island rehabilitation is now complete.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that everyone has a copy of his report. Mr. Klipstein stated that the Authority is discussing a modification to typical canal operations for the upcoming summer season with the Department of Environmental Protection. The purpose of the modification is to reduce the likelihood of a recurrence of the harmful algae bloom experienced in the Millstone River in the summer of 2022. The goal is to create higher flows in the Millstone River between Carnegie Lake and the Island Farm Weir by spilling water further up the Canal at Kingston Wastegate, located just upcanal from the Kingston Lock and Route 27. This increase will be offset by a reduction in typical releases from the Canal to the Millstone at the 10-Mile Wastegate, located just upstream of the Millstone River. Mr. Klipstein noted that these release modifications will not affect the Authority's ability to maintain sufficient flows at the Canal customer's intakes.

NEW BUSINESS

Mr. Picco provided the background information on the resolution accepting the audit prepared by Mercadien, P.C. Certified Public Accountants, for the year ended June 30, 2022. Mr. Picco stated that the Authority engaged Mercadien, P.C. to perform its 2022 audit in accordance with state and federal law. An Audit Committee meeting was held on February 6, 2023. In the audited financial statements for fiscal year 2022, there are no reportable matters regarding the internal control structure, and the independent auditor is issuing an unqualified or clean opinion. Mr. Picco noted that the auditors commended the Authority accounting staff.

Mr. Picco moved the resolution to accept the Audit Report prepared by Mercadien, P.C. for the Fiscal Year ended June 30, 2022, and to post the final report on the Authority's website and distribute it to all interested parties. Mr. Havens seconded this motion. All Authority members approved of this resolution.

Ms. Buckley provided the background information on the resolution approving the 2022 Annual Report of the New Jersey Water Supply Authority. Authority statute and Executive Order 37 require that the Authority issue an Annual Report by the last day in February. Ms. Buckley noted that due to the delay in the release of Other Pensions and Benefit ("OPEB") data from the state, the report was delayed until this month. A draft copy of the Authority's Annual Report for fiscal year 2022 was included in the Board packages. 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 to approve the 2022 Annual Report of the New Jersey Water Supply Authority and to authorize the Executive Director to post the 2022 Annual Report on the Authority's web site. Ms. Blew seconded this motion. All Authority members approved of this resolution.

Mr. McKeon provided the background information on the resolution authorizing the Executive Director to enter into a purchase agreement for polyaluminum chloride for the Manasquan Water Treatment Plant, Wall Township, Monmouth County and the resolution authorizing the Executive Director to enter into a purchase agreement for sodium hypochlorite for the Manasquan Water Treatment Plant, Wall Township, Monmouth County. Mr. McKeon described the bid process and results for both chemicals. Mr. McKeon attributes the increase in year-over-year costs for polyaluminum chloride to inflation.

Ms. Blew moved the resolution to authorize the Executive Director to enter into a 12-month purchase order agreement with USALCO Inc. of Baltimore, Maryland for polyaluminum chloride, for a unit cost of \$0.267 per pound and a total cost not to exceed \$131,810.00. Mr. Havens seconded this motion. All Authority members approved of this resolution.

Ms. Blew moved the resolution to authorize the Executive Director to enter into a 12-month purchase order agreement with Miracle Chemical Co. Inc., Farmingdale, NJ for sodium hypochlorite, for a unit cost of \$3.49 per gallon and a total cost not to exceed \$73,395.00. Mr. Havens seconded this motion. All Authority members approved of this resolution.

Mr. Shaffer provided the background information on the resolution authorizing the award of a contract for professional engineering services required for the design of an aeration system to improve water quality at the Manasquan Reservoir, Howell Township, Monmouth County, WSA-R23002M. Mr. Shaffer stated that harmful algal blooms (HABs) have become a recurring issue at the Manasquan Reservoir. The blooms impede recreational activity, and the presence of cyanotoxins can be deleterious to water quality, public health, and ecological health. HABs complicate water treatment operations and can increase costs for the Authority and its customers.

In 2018, the Authority contracted with a lake management consultant to review and assess various approaches to mitigate, control, and prevent HABs. The consultant presented several

alternative solutions, and from among them, Authority staff selected an aeration system as the preferred management method.

In October 2022, the Authority solicited Statements of Qualifications and Technical Proposals for a professional engineering consultant to design an aeration system and provide construction management services. Mr. Shaffer described the bid process and results. With the approval of the Chair of the Capital Projects Committee, the top three ranked firms were invited to submit fee proposals. Mr. Shaffer discussed the ranking and the scope equalization process through which Authority staff made some assumptions and adjustments, based on all available information from the proposals, to address differences in scope.

Mr. Shaffer stated that all three firms recommended studies to calculate sediment oxygen demand to support the design of the aeration system. These studies were not explicitly required by the Request for Proposals, but based on all technical proposals, Authority staff believe them to be essential to the success of this project. Each of the firms proposed a different methodology but staff concluded that the methodology proposed by BATTAs was most effective and therefore incorporated it in the scope equalization. In accordance with Authority policy, Authority staff negotiated the fee proposal with the top ranked firm.

Mr. Shaffer noted that for this project, the Authority has initiated an application for low-cost financing with the potential of partial principal forgiveness through the New Jersey Water Bank.

In response to a question from Mr. Iacullo regarding the Oradell Reservoir, Mr. McKeon stated that the aeration system at the Oradell Reservoir is not directly comparable to the system proposed for the Manasquan Reservoir because it is a recirculatory rather than an oxygenating system. Ms. Desko discussed her knowledge of the Oradell aeration system and noted that additional discussions may be initiated as the design process progresses.

Mr. Iacullo moved the resolution to authorize the Executive Director to enter into a contract with BATTAs Environmental Associates, Inc. of Newark, Delaware, for a lump sum and reimbursable cost not-to-exceed amount of \$485,536 for professional engineering services required for the design of an aeration system to improve water quality at the Manasquan Reservoir, Howell Township, Monmouth County. Mr. Havens seconded this motion. All Authority members approved of this resolution.

Mr. Shaffer provided the background information on the resolution authorizing the renewal of a purchase order agreement for janitorial cleaning services at the Spruce Run Administration, Annex and Watershed Protection Office buildings located at 1851, 1855 &

1859 Highway 31, Clinton, New Jersey. Mr. Shaffer stated that the Authority retained EnviroClean Janitorial Services LLC through a purchase order agreement on December 29, 2020, for a period of twelve months with an option to renew two consecutive twelve-month periods. The purchase order agreement was renewed once in 2022 with the approval of the Board and that purchase order agreement expires on May 1 of the current year. Mr. Shaffer stated that Authority staff has been satisfied with the services provided and EnviroClean was asked to submit a renewal proposal. The proposed renewal cost is an increase of 4.6 percent over the current year. The Authority expects to rebid these services next year to ensure competitive rates.

Ms. Blew moved the resolution to authorize the Executive Director to execute an amendment to the agreement with EnviroClean Janitorial Services LLC of East Brunswick, New Jersey, thereby renewing the agreement for one year at a cost not-to-exceed \$34,080.00, resulting in an amended total purchase order agreement cost of \$97,740.00. Mr. Iacullo seconded this motion. All Authority members approved of this resolution.

Mr. Shaffer provided the background information on the resolution authorizing the renewal of a purchase order agreement for janitorial cleaning services at the D&R Canal Office located in Ewing, New Jersey. Mr. Shaffer stated that in December 2020, the Authority retained Commercial Cleaning Corporation for janitorial cleaning services at the Canal Field Office through a purchase order agreement. The agreement was for a period of twelve months at a cost of \$14,280. With the approval of the Chair of the Capital Projects Committee, the purchase order agreement was subsequently extended for one year at an increase of 3.4 percent. Mr. Shaffer noted that the Authority continues to be satisfied with the janitorial services provided and requested that Commercial Cleaning Corporation submit a proposal for renewing the purchase order agreement a second time. The proposed renewal cost is an increase of 3.5 percent over the current year. The total cost of the original agreement and the renewal agreements combined would be \$44,341.08 for a period of 36 months and therefore requires Board approval. The Authority expects to rebid the services next year to ensure competitive pricing.

Mr. Havens moved the resolution to authorize the Executive Director to execute an amendment to the purchase order agreement with Commercial Cleaning Corp. of Trenton, New Jersey, thereby renewing the agreement for one year at a cost not to exceed \$15,289.08, resulting in an amended total cost of \$44,341.08. Mr. Iacullo seconded this motion. All Authority members approved of this resolution.

Mr. Shaffer provided the background information on the resolution authorizing the award of contract for the purchase and installation of eleven sluice gates along the D&R Canal, Franklin Township & South Bound Brook, Somerset County. Mr. Shaffer stated that the Delaware and Raritan Canal has eight lock locations that were repurposed as flow control structures in the 1950s. At that time, the mitered gates that formerly provided operation as a lock that raised and lowered boats were replaced with three sluice gates at each lock to allow operators to maintain appropriate flow levels in the Canal.

Mr. Shaffer noted that the inspection, repair, and replacement of these gates has been identified as a project on the Capital Improvement Plan. With the approval of the Capital Projects Committee, a failing gate at the South Bound Brook Lock was replaced in January 2022 via an emergency procurement. Subsequent underwater inspection of the other two gates at South Bound Brook revealed similar deterioration and need for replacement. Five-Mile Lock, Ten-Mile Lock, and Griggstown Lock have the same sluice gates as South Bound Brook Lock that were installed in the 1950s and are presumed to be in similar condition.

Mr. Shaffer stated that fourteen bids were received and opened at a public bid opening on January 26, 2023. Authority staff reviewed the bids for content, adherence to the bid documents, and completeness. The low bid of \$791,000.00 from SpectraServ, Inc. was found to be in compliance with the requirements of the technical specifications and contract documents.

Ms. Blew moved the resolution to authorize the Executive Director to enter into a contract with SpectraServ, Inc., of Kearny, NJ for the purchase and installation of eleven sluice gates along the Delaware & Raritan Canal for a lump sum cost of \$791,000.00. Mr. Iacullo seconded this motion. All Authority members approved of this resolution.

Mr. Shaffer provided the background information on the resolution ratifying the actions of the Executive Director in executing a construction contract required for emergency procurement for electrical testing and maintenance at the South Branch Pumping Station in the Township of Clinton, Hunterdon County, New Jersey, WSA-C23017. Mr. Shaffer stated that Authority staff intends to restore Round Valley Reservoir to the construction pool at elevation 360 feet which is 25 feet below full pool. This represents approximately 7.5 feet of water or 4.5 billion gallons. Mr. Shaffer noted that it is standard practice before a pumping program for the Authority to engage the services of a certified testing agency for inspecting, testing, and performing preventative maintenance on the high-voltage electrical equipment at the Authority's pump station.

This work is necessary for function, fire safety, and personnel safety.

Mr. Shaffer described two attempts to engage these services through the standard procurement process. These procurements failed because each of the received bids were deemed non-responsive due to their lack of the required Public Works Contractor Registration Certificate.

Mr. Shaffer stated that because Round Valley Reservoir is at a historically low pool level and since there could be a potential need for increased releases in the event of another harmful algal bloom occurrence in the Millstone River, staff believe that it is imperative that a pumping program take place this spring. Due to the potential high consequence of delaying the 2023 Round Valley pumping season, the Executive Director certified that this was an emergency condition that required the procurement of services immediately, and, therefore, met the requirements for an exception to the normal procurement process, as set out in Executive Order No. 37 (2006) and the Authority's procurement procedures. After receiving approval from all three members of the Capital Projects Committee on January 7, 2023, the Executive Director initiated an emergency procurement. Mr. Shaffer described the modified bid process and results.

Ms. Blew moved the resolution to ratify the actions of the Executive Director in executing a contract with North Central Electrical, Inc. of Hulmeville, Pennsylvania in the amount of \$67,980.00 to conduct electrical testing and maintenance prior to the startup of pumping operations at the Authority's South Branch Pumping Station, located in Clinton Township, Hunterdon County. Mr. Havens seconded this motion. All Authority members approved of this resolution.

Mr. Shaffer provided the background information on the resolution authorizing the award of a construction contract for the Rehabilitation of Pumps 4, 5, 7 & 8 at the South Branch Pumping Station, Clinton Township, Hunterdon County, New Jersey, WSA-C23014. The South Branch Pump Station has ten large pump and motor assemblies. Two pumps (Nos 1 and 6) were rehabilitated in 2015 as a pilot program for this rehabilitation work. Pumps 2, 3, 9, and 10 are original installations and are currently available for pumping. Pumps 4, 5, 7, and 8 have been out of service for an extended period due to alignment issues; therefore, they were selected for rehabilitation while the other six pumps remain in service to ensure pumping capabilities at the station. A consulting engineer prepared plans and specifications for the pump and motor rehabilitation. Mr. Shaffer described the construction contract advertisement, bid process and results.

Mr. Iacullo moved the resolution to authorize the Executive Director to enter into a construction contract with Longo Electrical-Mechanical, Inc. of Wharton, NJ, for Rehabilitation of Pumps 4, 5, 7, and 8 at the South Branch Pumping Station, located in Clinton Township, Hunterdon County, New Jersey for a lump sum and unit price cost of \$2,779,492.00. Mr. Havens seconded this motion. All Authority members approved of this 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. Marascia introduced himself as a representative of New Jersey American Water. In response to a question from Mr. Marascia, Mr. Brooks stated that if conditions are favorable, it would be the Authority's intention to return the Round Valley Reservoir to normal pool as soon as construction work is complete.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Mr. Iacullo moved to adjourn the meeting. Ms. Blew seconded the motion. All Authority members approved the motion. The meeting was adjourned at 2:58 P.M.

I hereby certify this to be a true and original copy of the March 6, 2023 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman

Michelle Rollman
Finance & Accounting Analyst