



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the
New Jersey Water Supply Authority
March 4, 2019

A regular meeting of the New Jersey Water Supply Authority was convened on March 4, 2019 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 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 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 - by phone
Susan Blew - by phone
Ellsworth Havens - by phone
Robert Iacullo - by phone
Steven Picco - by phone
Shing-Fu Hsueh - by phone

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Robert Barth, D&R Canal Watch
Oleg Kostin, New Jersey American Water
Dan Losik, Township of East Brunswick (Signed in only)

Authority Staff Present:

Beth Gates, Executive Director
Susan Buckley, Director Administration and Finance
Marc Brooks, 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
Lauren LaRusso, Assistant Counsel, Authorities Unit - by phone
Jung Kim - Deputy Attorney General

APPROVAL OF THE MINUTES

Acting Chair Hoffman opened the meeting by asking for the approval of the minutes of the February 4, 2019 meeting. Mr. Picco moved for the approval of the minutes as prepared and this motion was seconded by Ms. Blew. The minutes of the February 4, 2019 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Ms. Gates stated that everyone has a copy of her report. Ms. Gates added that a late filing notice for the annual report and audit was submitted to the Governor's office, the legislature and the office of the state librarian on February 28 and to the bond trustee on March 1.

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 System. Mr. McKeon noted that operations are running smoothly for the Manasquan system. Mr. McKeon stated that the Manasquan Reservoir is at full capacity and that there has been sufficient rainfall. Mr. McKeon discussed upcoming projects for the Manasquan system. Mr. McKeon stated that staff is working on a consumer confidence report which is due to the municipalities in the beginning of April. Mr. McKeon noted that there were no violations or MCL exceedances last year.

Mr. Brooks reported on the Raritan Basin System. Mr. Brooks stated that everyone has a copy of his report. As of March 1, the Spruce Run Reservoir was at elevation 272.9 or 99.5 percent of capacity and Round Valley Reservoir was at elevation 374.5 or 85.7 percent of capacity. The combined capacity was 88.1 percent, while the typical capacity for this time of year is 91.1 percent.

Mr. Brooks noted that active dredging in the Canal is complete for the season. Transportation of material to final

disposal has been ongoing since December and is on track for completion for the year in late March. Tree removal in the reaches of the Canal targeted for dredging this year is scheduled to begin this week.

Mr. Brooks stated that bids for Grouting on the Round Valley Reservoir Dams-Rehabilitation and Resource Preservation Project were received in February. Mr. Brooks noted that pending Board approval at this meeting, notice to proceed will likely be issued in early April.

Mr. Brooks stated that the Authority advertised in February for bids for dredging of the channel near the South Dam Tower. Mr. Brooks expects to have a resolution before the Board at the May meeting to authorize a construction contract award for that project.

Mr. Brooks stated that Authority staff, NJ Dam Safety, the owner's engineer, and the Technical Review Board have all reviewed the "sixty-percent" drawings for the major embankment work. Mr. Brooks is expecting the next round of design drawings at a "ninety-five-percent" complete level within the next two weeks.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that everyone has a copy of his report. Mr. Klipstein stated that the Watershed Management staff has been working with the engineering staff on a project to identify and remove diseased or potentially hazardous trees (primarily Ash) from the Authority owned Winters property in Califon. This tree removal was completed on February 26. The Watershed staff will continue to survey additional Authority owned properties to identify trees near structures, property lines and overhead wires for removal.

NEW BUSINESS

Ms. Buckley provided the background information on the Resolution ratifying the Executive Director's placement of the Authority's March 1, 2019 - March 1, 2020 Insurance Program. Ms. Buckley noted that in November of 2018 the Board adopted resolution 2360 which authorized the Executive Director to renew the Authority's insurance coverage within the approved budget. The premium for the renewal will be \$1.495 million, a 4.4 percent increase relative to 2018. The Authority's budget for this period was \$1.7 million. Ms. Buckley stated that market conditions proved to be more stable than anticipated.

Mr. Iacullo moved the Resolution ratifying the Executive Director's placement of the Authority's March 1, 2019 - March 1,

2020 Insurance Program. Ms. Blew seconded this motion. All Authority members approved of this resolution.

Ms. Buckley provided the background information on the Resolution authorizing the Executive Director to negotiate and execute a contract with the Township of East Brunswick for renewal of uninterruptible service from the Raritan Basin System. Ms. Buckley stated that the Township of East Brunswick requested a twenty-five year renewal of its existing water supply contract. The current contract expires on November 20, 2023. No changes are proposed to the terms of the contract. The required public hearing was held on January 18, 2019 and no objections were made. In response to a question by Mr. Hoffman, Ms. Buckley stated that historically East Brunswick prefers to renew contracts prior to expiration. Additionally, their Chief Financial Officer is retiring and may have wished to complete the renewal prior to his departure. The prior contract was also for twenty-five years.

Mr. Havens moved the resolution authorizing the Executive Director to negotiate and execute a contract with the Township of East Brunswick for renewal of uninterruptible service from the Raritan Basin System. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Ms. Gates stated that the resolution accepting a donation for a project to improve water quality of the Delaware and Raritan Canal will be deferred to a future meeting.

Mr. Klipstein provided the background information on the resolution consenting to the proposed Water Quality Management ("WQM") Plan Amendment entitled Proposed Amendment to the Northeast and Upper Raritan Water Quality Management Plans for three existing developments in Mine Hill Township, Morris County (Randall Avenue Neighborhood, Thomastown Road/Valley View and Alpine Valley Neighborhood Phase 2). Mr. Klipstein stated that the Department of Environmental Protection ("NJDEP") is responsible for reviewing and approving amendments to the Northeast and the Upper Raritan Water Quality Management Plans. Mr. Klipstein described the scope and details of the proposed amendment to expand the Rockaway Valley Regional Sewage Authority sewer service area by 29.15 acres to accommodate three existing neighborhoods in Mine Hill Township, currently on septic systems, many of which are failing. These neighborhoods would add 77 single family homes, two commercial/residential mixed use properties and two commercial use properties (total of 27,330 gallons per day) to the Waste Water Treatment plant service area. The Department has reviewed the application with respect to all parameters and has determined that the proposed amendment complies with all regulatory criteria. The portion of the area that

impacts the Raritan Basin is the equivalent of seven full properties and four partial properties or 5.51 acres constituting an inter-basin transfer of approximately 3,300 gallons per day from the Raritan Basin to the Passaic River Basin. What would normally discharge to groundwater and flow into the Raritan River Basin will now discharge to surface water through the wastewater treatment plant into the Passaic River Basin. Mr. Klipstein noted that this is a de minimis reduction in safe yield.

Mr. Klipstein stated that the NJDEP directed the applicant to request a written statement of consent from the New Jersey Water Supply Authority. The Authority is deemed to be affected by, or otherwise have a substantial interest in the proposed amendment. The consent must take the form of a resolution in accordance with the rules, and must be submitted to NJDEP within 60 days of request, which was January 24, 2019. In response to a question from the Board, Mr. Klipstein stated that the issue does not require the approval of the Delaware River Basin Commission ("DRBC") as it is outside of their jurisdiction.

Ms. Blew moved the resolution consenting to the proposed Water Quality Management ("WQM") Plan Amendment entitled Proposed Amendment to the Northeast and Upper Raritan Water Quality Management Plans for three existing developments in Mine Hill Township, Morris County (Randall Avenue Neighborhood, Thomastown Road/Valley View and Alpine Valley Neighborhood Phase 2) and the submission of this consent to the Mine Hill Township for transmittal to the Department of Environmental Protection. Dr. Hsueh seconded this motion. All Authority members approved of this resolution.

Mr. Brooks provided the background information on the Resolution authorizing the award of construction contract WSA-R19007 for North and South Dam Abutment Grouting, a component of the Round valley Reservoir Structures Refurbishment and Resource Preservation Project in Clinton Township, Hunterdon County. Mr. Brooks stated that the Authority advertised for a pre-qualification process on September 6, 2018. Four contractors were pre-qualified to bid the project. The Authority advertised actual bids on December 28, 2018 and a mandatory pre-bid meeting was held on January 17, 2019. The Authority received two bids on February 19, each of which exceeded the Engineer's estimate of \$3,043,526. The Authority's consultant theorizes that the high bid may have been due to high volume of geotechnical construction work currently ongoing and the specialty nature of the work which results in a limited pool of potential bidders. Mr. Brooks stated that Authority staff and the engineering consultant reviewed the low bid and recommend award of a contract to the low

bidder, Moretrench American Company of Rockaway NJ for a lump sum and unit price cost of \$3,876,285.

Mr. Brooks added that typically, change orders require the approval of the Chair of the Capital Projects committee up to a maximum of \$25,000 with change orders over \$25,000 requiring full Board approval. The resolution before the Board stipulates that specifically for this project, the threshold will be increased to \$100,000 prior to requiring full Board approval due to the size of the construction project, the variability inherent in a grouting project of this nature, and the potential need for expedient action.

Ms. Blew moved the resolution authorizing the Executive Director to enter into a construction contract with Moretrench American Corporation of Rockaway, New Jersey for grouting of the abutments of the North and South Dams at the Round Valley Reservoir in Clinton Township, Hunterdon County for a lump sum and unit price cost of \$3,876,285.00 and to increase the not to exceed amount for change orders to \$100,000 for this contract only with the concurrence of the Capital Projects Committee. Dr. Hsueh seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Brooks provided the background information on the Resolution authorizing the award of contract WSA-R19005 for Professional Services required for background screening of contractors and consultants for the Round Valley Reservoir Structures Refurbishment and Resource Preservation Project. Mr. Brooks stated that Authority staff generated a request for proposals ("RFP") to procure a professional services contract to assist with background checks and screening future applicants which was advertised on September 21, 2018. Two technical proposals were received on October 18, 2018. With the approval of the Chair of the Capital Projects Committee, staff invited the top rated firm, Fortior Solutions, to submit a fee proposal. The proposal of the second firm was determined to be non-responsive to the RFP. Fortior Solutions provides a service that allows contractor's employees to visit kiosks throughout the United States. There they get fingerprinted and Fortior processes personal identity verification and performs criminal background history checks on individuals. Each employee who passes the background check would receive a project specific photo ID. Further, Fortior would provide hardware for stations at the dam access points that would allow security personnel to scan those project specific photo ID's and/or other picture ID's such as driver's licenses using hand held devices provided and maintained by the consultant.

Mr. Brooks stated that the proposal from Fortior Solutions was complicated and required several revisions and negotiations. Fees were compared against other government contracts where Fortior is currently working and following negotiations, Authority fees are now favorable to the other Fortior contracts. During the negotiations, two separate progress meetings were held that included Authority staff and the Capital Projects Committee. Mr. Brooks stated that for the purposes of the recommended not-to-exceed contract, Authority staff made assumptions as to where the security stations would be employed for the upcoming work. For purposes of this contract, staff assumed five security checkpoint locations for a period of three years. Mr. Brooks noted that the number of checkpoint locations may be reduced based on the final designs for the Round Valley embankment work and the workplan envisioned by the contractor.

Mr. Iacullo moved the resolution authorizing the Executive Director to enter into a contract with Fortior Solutions of Hillsboro, Oregon for professional services necessary for the background screening of contractors and consultants for the Round Valley Reservoir Structures Refurbishment and Resource Preservation Project for a cost not to exceed \$202,551.65. Dr. Hsueh seconded this motion. All Authority members approved of this resolution.

Mr. Brooks provided the background information on the Resolution authorizing the award of a construction contract for the replacement of the Spruce Run fuel facilities dispenser units, Clinton Township, Hunterdon County. Mr. Brooks stated that this project calls for the replacement of all equipment on the diesel and gasoline pumps from the top of the tanks and higher, including the concrete island, the pumps and dispensers and the monitoring systems for all of our underground storage tanks. The project was designed by outside consultant and advertised for bids on January 14. Two (2) bids were received on February 20. Authority staff and the engineering consultant reviewed the bids and recommend award to the lowest bidder, Aurora Environmental of Union Beach, NJ in the amount of \$135,650.00.

Ms. Blew moved the Resolution authorizing the Executive Director to enter into a construction contract with Aurora Environmental, Inc. of Union Beach, New Jersey for the replacement of the Spruce Run fuel facilities dispenser unit for a lump sum and unit price cost not to exceed amount of \$135,650.00. 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. Barth introduced himself as a representative of the D&R Canal Watch. Mr. Barth described upcoming activities of the D&R Canal Watch including a walk on Saturday, March 9, on the Canal between Kingston and Bridgetown. Mr. Barth also discussed a fund-raiser on Saturday, May 18. Mr. Barth distributed a "save the date" flyer and registration for the fund-raising dinner on a canal boat ride which will be held on the Lehigh Canal in Easton Pennsylvania. Details are available on the D&R Canal website, www.canalwatch.org. Mr. Barth encouraged all to attend and stated that profits will be used to restore the bridge tender's station in East Millstone.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Dr. Hsueh moved to adjourn the meeting. Ms. Blew seconded the motion. All Authority members approved 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 4, 2019 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman
Finance & Accounting Analyst