



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 6, 2017

A regular meeting of the New Jersey Water Supply Authority was convened on March 6, 2017 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, 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, Acting Chair
Susan Blew
Ellsworth Havens
Shing-Fu Hsueh - by phone
Robert Iacullo
Louis Mai

Absent: Steven Picco

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Charles Engler, Friends of Spruce Run
Oleg Kostin, New Jersey American Water
Edward Walker, East Brunswick Water Supply
David Brogle, Middlesex Water Company
David Shope, Resident

Authority Staff Present:

Beth Gates, Executive Director

Michelle Rollman, Executive Secretary II
Marc Brooks, Chief Engineer
Susan Buckley, Controller
Kenneth Klipstein, Director Watershed Protection Programs
Heather Desko, Watershed Protection Specialist
Julie Shelley, Permit/Property Administrator
Jared Berger, Geographic Information Specialist
Labinot Berlajolli, Assistant Counsel, Authorities Unit
Jung Kim - Senior Deputy Attorney General

APPROVAL OF THE MINUTES

Acting Chair Hoffman opened the meeting by asking for the approval of the minutes of the February 6, 2017 meeting. Mr. Havens moved for the approval of the minutes as prepared and this motion was seconded by Ms. Blew. The minutes of the February 6, 2017 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Ms. Gates stated that everyone has a copy of her report and that she has no supplemental information.

COMMUNICATION/CORRESPONDENCE

Ms. Gates stated that two newspaper articles regarding dam issues were provided to the Board. Mr. Hoffman noted that they were of interest.

UNFINISHED BUSINESS

Mr. Brooks reported on the Manasquan Reservoir System and the Manasquan Water Treatment Plant/Transmission System. Mr. Brooks stated that everyone has a copy of the Operations Report for the Manasquan System. Mr. Brooks stated that the Manasquan Reservoir is at 97 percent of capacity. Mr. Brooks noted that operations are running smoothly for the Manasquan system. A new variable frequency drive ("VFD") motor was installed at the Water Treatment Plant and was partially tested this week with positive results. Mr. Brooks stated that a separate VFD for the reservoir pump station is close to being installed.

Mr. Brooks reported on the Raritan Basin System. Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks stated that the reservoirs in the Raritan Basin System continue to recover very slowly. The Spruce Run Reservoir is at 49 percent of capacity and Round Valley Reservoir is at 68 percent of capacity. The combined capacity is at 65 percent, while the typical capacity for this time of year is 92 percent.

Mr. Brooks displayed a graph to illustrate the current year flow in the South Branch of the Raritan River in relation to the median level of flow in the Raritan River. Mr. Brooks stated that there have only been a few times during rain events when the flow actually exceeded the median rainfall. Most days have been below the median, resulting in low levels of flow in the rivers and streams.

Mr. Brooks stated that Canal operations are normal.

Mr. Brooks reported on the Round Valley Dam Rehabilitation Project. Authority staff has been working with the engineering firm of Record. Mr. Brooks stated that exploratory borings, primarily of the abutments, are being performed and are near completion. Subcontractors have also performed underwater inspections of the towers.

Mr. Brooks stated that Technical Review Boards have begun for Spruce Run and will continue through the current week.

Mr. Brooks stated that in relation to the intake pond dredging project at the South Branch Pump Station, the consulting engineer has completed bathymetric surveys, taken soil samples, and begun work on the schematic designs.

Mr. Brooks reported that the Authority is in the final stages of engaging a consultant for the Griggstown Wastegate project.

Mr. Brooks stated that he has no change orders to present.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that everyone has a copy of his report and that there was nothing to add.

Julie Shelley and Jared Berger provided a presentation on asset management enhancements and the expansion of digital capabilities. Ms. Shelley and Mr. Berger discussed the various technologies being employed by the Authority to digitize maps and other information for ready accessibility and enhanced usage. Ms. Shelley and Mr. Berger highlighted the importance of redundant storage methods and the integration of information platforms. Ms. Shelley and Mr. Berger provided examples of the Authority's current applications of iPad and GPS data collection; GIS (ArcMap) and Google Earth; and Conservation Track Software. Ms. Shelley and Mr. Berger illustrated the use and benefits of these technologies in the facilitation of project work as well as in both open space property and data asset management.

Ms. Shelley and Mr. Berger answered questions from the Board. Mr. Havens inquired about the potential of drone technology and

Mr. Hoffman inquired about the potential of landscape views from Google Earth. Both technologies were discussed and viewed as having useful potential.

NEW BUSINESS

Ms. Buckley referred to the staff memo on the Unaudited Financial Statements for the six months ending December 31, 2016. Ms. Buckley stated that the unaudited financial statements can be viewed on the Authority's website and were distributed to the interested parties as required by bond resolutions. Ms. Buckley stated that there is a net income of \$3,337,477 compared to a net income of \$2,862,140 for the same period in the prior year. Ms. Buckley highlighted significant items in the statements. Ms. Buckley stated that no action is required by the Board today.

Ms. Gates provided the background information on the Resolution ratifying the Executive Director's placement of the Authority's March 1, 2017 - March 1, 2018 Insurance Program. Ms. Gates noted that Commissioner Hsueh authorized the binding of the program. Ms. Gates stated that there is an \$18,060 increase over the prior year which is associated with Workers Compensation. Ms. Gates provided a written handout to the Board and reviewed the safety record, training programs, policies and procedures of the Authority. Ms. Gates discussed the methodology for the determination of insurance rates dependent on the types of incidents and amounts paid on claims. Ms. Gates noted that an incident occurred in 2015 which caused an increase in the rate, but that 2016 was a good year and that rates will, in the future, be adjusted accordingly. Mr. Havens moved the Resolution ratifying the Executive Director's placement of the Authority's March 1, 2017 - March 1, 2018 Insurance Program. Mr. Mai seconded this motion. All Authority members approved of this resolution.

Mr. Klipstein introduced Heather Desko and highlighted the importance of addressing the issue of Hydrilla early to prevent spread during the growth season. Heather Desko provided the background information on the Resolution authorizing the Executive Director to execute an agreement with Solitude Lake Management for aquatic plant management of the Delaware and Raritan Canal. Ms. Desko stated that aquatic plants are an ongoing and increasing concern for operations and maintenance of the Canal. Ms. Desko discussed the means through which the invasive aquatic plant species, Hydrilla was discovered in the canal by a hydro-raking contractor. Ms. Desko described the subsequent efforts to survey, assess, and map the extent of hydrilla and other problem weeds in a number of high-priority segments of the Canal. Ms. Desko stated that for the 18.31 miles surveyed, Submerged Aquatic Vegetation was collected at 96 percent of the sites, confirming the spatial extent and diversity of vegetation in the Canal and that Hydrilla

was observed at 56 percent of the survey sites.

On December 15, 2016, the Authority issued a request for proposals ("RFP") from qualified professional consulting firms to develop and implement a comprehensive submerged aquatic vegetation ("SAV") management and monitoring plan as outlined in the Board memo. The RFP was advertised, posted and emailed to five firms, in accordance with Authority policies. One amendment to the Solicitation was issued on January 17, 2017. One statement of qualifications and technical proposal was received on January 23, 2017 and was determined to be technically responsive. Authority staff received approval from the Capital Projects Committee Chair to invite Solitude Lake Management to submit a fee proposal by February 10, 2017. Ms. Desko described the process and assumptions through which a fee proposal was solicited, determined and assessed. Ms. Desko also outlined the components of the fee proposal. Staff recommends that a contract be awarded to Solitude Lake Management from Hackettstown, New Jersey for a reimbursable cost not to exceed amount of \$1,558,982.50. Ms. Desko noted that sufficient funds are available in the Source Water Protection Fund.

Ms. Desko and Mr. Klipstein responded to questions from the Board. In response to a question by Mr. Iacullo, Mr. Klipstein suggested that there were two probable reasons for the single proposal. Mr. Klipstein opined that the primary reason for the single proposal was concern by other potential bidders of developing implementation costs without the benefit of an approved management plan. The secondary reason, expressed by Mr. Klipstein, is the fact that there are very few consultants with the resources, experience and capacity to address all aspects of the RFP within the required time constraints. The qualifications of Solitude Lake Management were discussed. In response to a question by Mr. Mai, ongoing public education, partnerships and maintenance were discussed. In response to a question by Mr. Hoffman, the parameters of the proposed treatments were clarified.

Ms. Blew moved the Resolution authorizing the Executive Director to execute an agreement with Solitude Lake Management for aquatic plant management of the Delaware and Raritan Canal. Mr. Iacullo seconded this motion. All Authority members approved of this resolution.

Julie Shelley provided the background information on the Resolution authorizing submission of one or more loan applications to the New Jersey Environmental Infrastructure Financing Program ("NJEIFP") to finance the Round Valley Reservoir Structures Refurbishment and Resource Preservation Project and corresponding application(s) to the Director of the Division of Local Government Services for approval of Authority participation in the NJEIFP.

Ms. Shelley stated that the Authority is under contract with a design engineer for the Resource Rehabilitation and Preservation Project at Round Valley. Ms. Shelley noted that the construction costs have been revised not to exceed \$75 million and an application is being prepared for the New Jersey Environmental Infrastructure Financing Program pending approval by the Board. Ms. Shelley clarified that one or more applications may be submitted, but that they will not exceed the \$75 million in total. Ms. Shelley noted that the terms for financing in the fiscal year 2018 are favorable and staff therefore recommends that the application be made to the 2018 program. Ms. Shelley stated that the cost is built into the fiscal year 2018 rates with a proposed rate of \$60 per million gallons. Mr. Havens moved the Resolution authorizing submission of one or more loan applications to the New Jersey Environmental Infrastructure Financing Program ("NJEIFP") to finance the Round Valley Reservoir Structures Refurbishment and Resource Preservation Project and corresponding application(s) to the Director of the Division of Local Government Services for approval of Authority participation in the NJEIFP. Mr. Mai 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. Engler introduced himself as long-time Friend of Spruce Run. Mr. Engler expressed his disappointment that no efforts are being made to raise the water level in Spruce Run Reservoir.

Mr. Shope introduced himself as a resident of Lebanon Township. Mr. Shope expressed dissatisfaction with the concept of re-forestation. Mr. Shope also expressed dismay over the use of Source Water Protection money to address aquatic invasive species. In response to questions from Mr. Shope, Ms. Gates clarified the projects related to the two debt service rate components.

EXECUTIVE SESSION

There was no need for an Executive Session.

Mr. Havens moved to adjourn the meeting. Ms. Blew seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:53 P.M.

I hereby certify this to be a true and original copy of the March 6, 2017 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman
Michelle Rollman
Executive Secretary II