



## NEW JERSEY WATER SUPPLY AUTHORITY

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

November 2, 2015

A regular meeting of the New Jersey Water Supply Authority was convened on November 2, 2015 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 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

A quorum existed for the transaction of Authority business.

#### Interested Parties Present:

Charles Engler, Friends of Spruce Run  
Dave Shope, Self

#### Authority Staff Present:

Henry Patterson, Executive Director  
Zenona I. Puć, Executive Secretary II  
Beth Gates, Director Finance and Administration  
Susan Buckley, Controller  
Marc Brooks, Chief Engineer  
Paul McKeon, Director Manasquan Water Supply System/D&R Canal  
Kenneth Klipstein, Director of Watershed Protection  
Helene Chudzik, Senior Deputy Attorney General  
Lisa R. LeBoeuf, Governor's Authorities Unit

## APPROVAL OF THE MINUTES

Acting Chair Fell asked for a motion for approval of the Minutes of the October 5, 2015 meeting. Ms. Blew moved the motion approving the Minutes as prepared and the motion was seconded by Mr. Picco.

## EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson stated that everyone has a copy of his report.

Mr. Patterson stated that below average rainfall has resulted in low levels for both the Raritan Basin and Manasquan Systems' Reservoirs. Mr. Patterson noted that Spruce Run is at 45 percent of capacity and Round Valley is at 80 percent of capacity. The Manasquan Reservoir is at 65 percent of capacity.

Mr. Patterson stated that on September 23, the New Jersey Department of Environmental Protection issued a drought watch for New Jersey's Northeast, Central, and Coastal North water supply regions, which includes this area.

Mr. Patterson stated that Authority staff, the larger water utilities in the northern drought region, and NJDEP met and had discussions on the drought.

Mr. Patterson stated that the Authority relies on the State of New Jersey for necessary information in order to finalize the FY2015 financial statements and for the Audit report. Mr. Patterson stated that the Authority has not received the PERS Pension calculation from the State. The Authority hopes to finalize the documents for Audit Committee review at the December 7 meeting. Mr. Patterson stated that Authority staff is working on budgets and rates for Fiscal Year 2017.

Mr. Patterson stated that Ms. Gates will report on the Refunding of Series 2005 Manasquan Reservoir Water Supply System Revenue Bonds. Mr. Patterson stated that Mr. Brooks will report on the issue regarding the pinhole leak at the Spruce Run vault.

## COMMUNICATIONS/CORRESPONDENCE

Mr. Patterson stated that there was 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 the reservoir storage elevation is at 66-67 percent of capacity. Mr. McKeon stated that NJ American's two reservoirs in the County are in the mid-80 percent of capacity.

Mr. McKeon stated that operations at the Manasquan facilities are going well. Mr. McKeon stated that contractors replaced a 34,000 volt breaker and that electrical cables were replaced. Mr. McKeon stated that the customers' demands through the water treatment plant were met by running standby power generators and that NJ American made up the water that they were not able to purchase during the planned outage.

Mr. Brooks stated that October was a very dry month and it is still dry at 0.4 inches below normal rainfall for the month. Mr. Brooks stated that combined storage in Spruce Run and Round Valley Reservoirs is presently at 74.2 percent of capacity. Mr. Brooks stated that Canal personnel continue to work on the maintenance dredging section downcanal from Whitehead Road in Lawrence Township.

Mr. Brooks stated that a pinhole leak was discovered at the release pipeline inside the Spruce Run vault. Mr. Brooks stated that an engineering consultant was hired on a small purchase order agreement to document the leak and recommend temporary repairs. Mr. Brooks referred to charts of the pipeline and gave an overview of the consultant's recommendations. Following the recommendations of the consultant, Mr. Brooks stated that instead of a temporary repair the Authority will seek a permanent repair on an emergency basis. This will include an emergency procurement of both a consulting engineer and contractor. In each case, at least three (engineers and contractors) will be asked to provide quotes.

Mr. Picco asked if anyone knows why there is degradation in the steel. Mr. Brooks explained that they believe it is due to the 90 degree angle and turbulence in the pipe causing erosion.

Mr. Havens asked when the pipeline was installed. Mr. Brooks said that in 1982, there was a modification to the original (1962) installation.

Mr. Mai questioned if there still a need for the 12-inch pipe. Mr. Brooks explained the continued need for the 12-inch pipe.

Mr. Brooks stated that there is nothing new to report on the Round Valley Technical Review Board since the Board meeting last month.

Mr. Brooks stated that rehabilitation at the D&R Canal Administration Building is progressing with only punchlist items on the roofing. Mr. Brooks stated that the parking lot has been milled and paving is expected to take place next week.

Mr. Brooks stated that the permits for the Cherry Tree Lane Spillway have been submitted and the consultant is preparing the final design.

As required by the Authority's By-Laws, Mr. Brooks reviewed two change orders under \$25,000 that were approved by the Chair of the Capital Projects Committee since the last Board meeting.

Mr. Klipstein stated that everyone has a copy of his report and that he had nothing else to add to his report. Mr. Klipstein asked if anyone had any questions.

#### NEW BUSINESS

Ms. Gates provided the background information on the Resolution Authorizing the Executive Director to Take Certain Preliminary Actions Regarding the Advance Refunding of New Jersey Water Supply Authority Series 2005 Manasquan Reservoir Water Supply System Revenue Bonds. Ms. Gates stated that the Authority intends to advance refund the New Jersey Water Supply Series 2005 Manasquan Revenue Bonds to achieve debt service savings for the Authority and its customers and to refund the current portion (2006) of the State Loan Notes and Completion Loan Notes. Ms. Gates stated that the Authority is in the process of soliciting proposals for a financial advisor through public advertisement pursuant to Executive Order #26. Mr. Picco moved the Resolution authorizing the Executive Director to Take Certain Preliminary Actions Regarding the Advance Refunding of New Jersey Water Supply Authority Series 2005 Manasquan Reservoir Water Supply System Revenue Bonds. Mr. Iacullo seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Mai noted that Executive Order #26 requires competitive bidding for sale of the bonds and Ms. Gates confirmed that it does.

Ms. Gates provided the background information on the Resolution authorizing the Executive Director to enter into a contract for Insurance Agent/Broker Services associated with the Authority's 2016, 2017 and 2018 Insurance Programs. Ms. Gates stated that a Request for Proposals was published in local newspapers and posted on the New Jersey Business Opportunities website and on the Authority's website. Five (5) firms submitted proposals. With the approval of the Chair, Insurance Committee the fee proposals of the top three rated firms were opened. Ms. Gates stated that negotiations were held with the top rated firm, Willis of New Jersey, Inc. Mr. Picco moved the Resolution authorizing the Executive Director to enter into a contract for Insurance Agent/Broker Services with Willis of New Jersey, Inc. of Cranford, NJ for the annual sums of \$42,000, \$40,000, and \$40,000 for insurance brokerage services associated with the Authority's 2016, 2017 and 2018 Insurance Program. Mr. Mai seconded this motion. All Authority members approved of the resolution.

Ms. Gates provided the background information on the Resolution authorizing the Executive Director to purchase an access easement across Block 9, Lot 3.02 in Franklin Township, Somerset

County to provide access to the staging area for the Dredging of the Delaware and Raritan Canal from Kingston to Amwell Road. Ms. Gates stated that in Resolution No. 2184, dated March 2, 2015 the Authority authorized the acquisition of a fee simple interest in Block 9, Lots 3.02, 6, and a portion of 3.01 in Franklin Township, Somerset County, comprising 31.22+ acres. Ms. Gates stated that the purchase contract and subsequent sale contract to Somerset County will reflect the revised acreage 29.189+ acres. 1.5 acres will be removed from the sale and the property retained by the seller because of a structure on the parcel which the County does not want to acquire. Because access will be required over this 1.5 acre parcel, a separate easement agreement between the Seller and the Authority will memorialize the access across Lot 3.02 for use by the Authority for the duration of the dredging project. Ms. Blew moved the Resolution authorizing the Executive Director to purchase an access easement across Block 9, Lot 3.02 in Franklin Township, Somerset County to provide access to the staging area for the Dredging of the Delaware and Raritan Canal from Kingston to Amwell Road. Mr. Mai seconded the motion for the Resolution. Commissioner Picco recused himself during the discussion and vote and all other Authority members approved the Resolution.

Ms. Gates provided the background information on the Resolution authorizing contribution to certain costs associated with the purchase of a fee simple interest in a 5+ acre critical watershed parcel in Clinton Township, Hunterdon County. Ms. Gates stated that the Raritan Basin System relies upon watercourses, wetlands and headwaters situated on properties in Clinton Township, Hunterdon County and other municipalities for a constant supply of high-quality water. Ms. Gates stated that acquisition of certain of these properties is critical to the Authority's mission of water supply. Ms. Gates stated that the Authority desires to support the NJDEP Green Acres Program's preservation of this parcel through contribution of funds toward demolition and removal of three buildings currently located on the property. Ms. Gates stated that the policies of the Authority regarding the acquisition of land for water supply protection was established by Resolution No. 1611, dated February 7, 2005 and Resolution No. 1907, dated August 3, 2009. Mr. Picco moved the Resolution authorizing contribution to certain costs associated with the demolition of buildings on a 5+ acre critical watershed parcel in Clinton Township, Hunterdon County, to be purchased by the Department of Environmental Protection Green Acres. Mr. Havens seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Brooks provided the background information on the Resolution authorizing the Executive Director to Amend (Amendment No. 2) Contract WSA-C10018 for Cultural Resources 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 1960 dated August 2, 2010, the Authority entered into a contract

with URS Corporation, for Cultural Resources Services required for dredging program in Franklin Township, Somerset, New Jersey. Mr. Brooks stated that following review of the Sensitivity Report by NJDEP and USACOE, URS Corporation recommended that additional archaeological surveys (Phase IB) are needed for all of the access areas and the staging area. Mr. Brooks stated that URS Corporation also recommended preparing an "Avoidance and Protection Plan" to protect the canal fabric (clay prism liner, stone armoring and culverts) and an "Unanticipated Discoveries Plan" for the entire dredging project. Mr. Brooks stated that URS submitted a separate proposal for the additional Phase IB archeological survey required by the NJDEP at Access Areas 1,2,4,5 and for the staging area. Mr. Brooks stated that Authority staff reviewed their fee proposal and recommends that the contract of URS Corporation be increased by a reimbursable cost not to exceed amount of \$31,885.00.

Mr. Picco moved the Resolution authorizing the Executive Director to Amend (Amendment No. 2) Contract WSA-C10018 for Cultural Resources 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 \$31,885.00. Mr. Mai seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Brooks provided the background information on the Resolution authorizing the Executive Director to enter into a construction contract for water distribution well upgrades for the Manasquan Water Treatment Plant (MWTP), Allenwood, Monmouth County. The project calls for the following items to be completed: replace two rubber seats and the main bearing inside the 36-inch flow control valve and the rubber seat in a guardian butterfly valve that control flow from the Manasquan Reservoir to the common water distribution tank; install a V-port style throttling valve upstream of the control valve described in #1; construct a poured concrete wall with remotely operated sluice gates to provide separation of the river water from the Reservoir water during times of extremely high river water turbidity; upgrade the water level controls and integrate the monitoring and controls into the existing SCADA system; and replace the 16 to 20-inch suction piping that supplies water to the NJ-American owned pumps in the distribution well.

It was noted that the work will be done during a scheduled plant shutdown during March 2016. Acting Chair Fell asked about the planned duration of the project. Mr. Brooks said the shut down for the project will take at least 3 weeks. Should rainfall continue to be well below normal between now and the planned shutdown, the project will most likely be pushed back.

Mr. Brooks 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 on

October 1, 2015. Four bidders attended the pre-bid meeting. Authority staff and our consulting engineer reviewed the bids for contents, adherence to the bid documents and completeness. Authority staff recommended that a contract for water distribution well upgrades for the Manasquan Water Treatment Plant, Allenwood, Monmouth County be awarded to Hutton Construction LLC., of Cedar Grove, NJ. Ms. Blew moved the Resolution authorizing the Executive Director to enter into a construction contract for water distribution well upgrades for the Manasquan Water Treatment Plant, Allenwood, Monmouth County to Hutton Construction LLC., of Cedar Grove, NJ for a lump sum cost of \$483,107.00. 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 a 200kw portable generator and related electrical improvements for the Manasquan Water System, Howell Township, Monmouth County. Mr. McKeon stated that as part of the planned capital improvement program, there is a need to purchase a towable standby power generator for use at the Reservoir Inlet/Outlet tower to enable staff to operate the reservoir emergency dump valve and view instrumentation in case of a dam emergency at the time of a power outage. Mr. McKeon stated that as part of the process the Authority saw the need to retain the services of an electrical contractor to supply and install the generator and related electrical improvements. 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 on September 3, 2015 with an addendum issued on September 21, 2015. Five bids were received and evaluated by Authority staff. Authority staff recommended that a contract for the purchase of a 200kw portable generator and related electrical improvements for the Manasquan Water System be issued to Environ, Inc. of Hackettstown, NJ. Mr. Havens moved the Resolution authorizing the Executive Director to enter into a contract for the purchase of a 200kw portable generator and related electrical improvements for the Manasquan Water System for a lump sum cost of \$146,817.00. Mr. Picco seconded the motion. All Authority members approved the resolution.

Mr. McKeon provided the background information on the Resolution authorizing the Executive Director to enter into purchase agreements for polyaluminum chloride and for sodium hypochlorite for the Manasquan Water Treatment Plant in, Allenwood, Monmouth County. Mr. McKeon stated that the Authority advertised for bids for a 12-month purchase of polyaluminum chloride and sodium hypochlorite in three newspapers of general circulation. The advertisement for bids was also posted on the New Jersey Business Opportunities web site and on the Authority's web site. Mr. McKeon further stated that nine (9) bids were received and opened at a public bid opening on October 22, 2015. Six (6) of the

bids were for polyaluminum chloride and four (4) bids were for sodium hypochlorite (one firm submitted bids for both chemicals). Authority staff reviewed the bids and Mr. McKeon provided the detail on the amounts of the bids received. Authority staff recommended that a purchase order agreement be issued to Gulbrandsen Technologies, Inc. of Clinton, NJ for polyaluminum chloride, for a unit cost of \$0.112/pound and total cost not to exceed \$54,880.00. Authority staff also recommended that a purchase order agreement be issued to Miracle Chemical Company of Farmingdale, NJ for sodium hypochlorite, for a unit cost of \$1.199/pound and total cost not to exceed \$25,179.00.

Mr. Picco moved the Resolution authorizing the Executive Director to issue a purchase order agreement to Gulbrandsen Technologies, Inc. of Clinton, NJ for polyaluminum chloride, for a unit cost of \$0.112/pound and total cost not to exceed \$54,880.00; and also issue a purchase order agreement to Miracle Chemical Company of Farmingdale, NJ for sodium hypochlorite, for a unit cost of \$1.199/pound and total cost not to exceed \$25,179.00. Mr. Havens seconded the motion. 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

Mr. Engler had a concern regarding the lack of rain and dry weather.

Mr. Shope referred to Agenda Item E and asked a question regarding cost-benefit analysis. Mr. Shope also had concerns regarding the Highlands. Commissioner Picco and Acting Chair Fell answered his questions accordingly.

#### EXECUTIVE SESSION

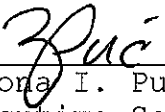
There was no need for an Executive Session.



ADJOURN

Mr. Picco moved to adjourn the meeting. Mr. Havens seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:50 P.M.

I hereby certify this to be a true and original copy of the November 2, 2015 New Jersey Water Supply Authority meeting minutes.

  
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Zenona I. Puć  
Executive Secretary II