



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the New Jersey Water Supply Authority

October 2, 2017

A regular meeting of the New Jersey Water Supply Authority was convened on October 2, 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, Diane Zalaskus P.E., Assistant Director of Water System Operations, 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: Diane Zalaskus, Acting Chair
Susan Blew
Ellsworth Havens
Shing-Fu Hsueh - by phone
Robert Iacullo
Louis Mai
Steven Picco

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Robert Barth, D&R Canal Watch
Jim Golden, New Jersey American Water
Charles Engler, Friends of Spruce Run
David Shope, Resident

Authority Staff Present:

Beth Gates, Executive Director
Susan Buckley, Controller
Michelle Rollman, Executive Secretary II
Marc Brooks, Chief Engineer
Kenneth Klipstein, Director of Watershed Protection
Jung Kim, Deputy Attorney General
Nicholas Kant, Governor's Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Zalaskus asked for a motion for approval of the Minutes of the August 7, 2017 meeting. Mr. Picco moved the motion approving the Minutes as prepared and the motion was seconded by Dr. Hsueh. The Minutes of the August 7, 2017 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Ms. Gates stated that everyone has a copy of her report.

Ms. Gates drew the attention of the Board to supplemental information which was provided, including tally sheets for the two procurement resolutions and changes in language to items "F" and "H" on the agenda for New Business.

Ms. Gates stated that the Audit Committee met earlier in the day and that Mr. Picco will report on that meeting during discussion of the Audit resolution. Ms. Gates stated that the Finance Committee also met earlier in the day to review the preliminary rates for fiscal year 2019, which will be presented to the Board at the December meeting.

Ms. Gates stated that the Fluridone injections to address Hydrilla in the D&R Canal ceased on September 28, 2017. Ms. Gates noted in response to a prior query by Mr. Havens that the expenditures for the project to date include \$218,000 for the management plan and \$17,000 for laboratory results. Ms. Gates indicated that Mr. Klipstein would report further on this issue in his report on Watershed Management activities.

Ms. Gates stated that Eastern Concrete is making progress on the clean-up of the Spruce Run Stream. Ms. Gates stated that the New Jersey Department of Environmental protection estimates that the project will continue for approximately one more month.

Ms. Gates reported that a Technical Review Board meeting was held in September with respect to the Spruce Run Dam. The meeting went well and there are currently no issues to report.

COMMUNICATIONS/CORRESPONDENCE

Ms. Gates stated that there were no communications or correspondences received.

UNFINISHED BUSINESS

Mr. Brooks provided the operations report for the Manasquan Water Treatment Plant/Transmission System. Mr. Brooks stated that the Manasquan Reservoir is at 3.85 billion gallons which is 82.5 percent of capacity.

Mr. Brooks stated that the equipment and the materials are on-site to begin the replacement of the underdrains for filters #2 and #3. It is anticipated that work on the project will commence within next few weeks.

Mr. Brooks reported on the Raritan Basin System operations. Mr. Brooks stated that the Spruce Run increased from a low of 248.62 feet on November 29, 2016 to 272.14 feet on August 24, 2017. The Authority has been releasing water since that time and the Spruce Run Reservoir is now at 265.18 feet which is eight feet below full pool of 273 feet. The Spruce Run Reservoir is at 8.01 billion gallons, which is approximately 72.8 percent of capacity. The Authority has not pumped to Round Valley Reservoir since June which is typical for the summer months. Round Valley is at 77.4 percent of capacity. Together they are at a combined 76.7 percent capacity, while the average for this time of year is typically 90 percent.

Mr. Brooks noted that on August 11, 2017 the drought warning was lifted for Hunterdon and Somerset Counties and is now lifted for the entire state of New Jersey.

Mr. Brooks stated that the Authority is working to finalize the New Jersey Environmental Infrastructure Financing Program ("NJEIFP") requirements for the D&R Canal dredging project. Upon completion of these requirements the NJEIFP is expected to issue an authorization for the Authority to advertise a construction contract. Mr. Brooks anticipates that a contract award will be presented for the consideration of the Board at the December meeting.

Mr. Brooks discussed the three seepage locations along the D&R Canal. The contractor mobilized on August 11, 2017 to address the area near Blackwells Mills Causeway and the work to drive sheeting down the center of the towpath was completed in one week. The seepage in that location has been arrested. The Authority is waiting for plan specifications and permits for the seepage area near the Griggstown Wastegate. The chemical grouting at the West Amwell location is complete.

Mr. Brooks stated that the consultant is working on schematic designs for the Round Valley Project. The Authority has received the schematic designs for the grouting and some smaller, ancillary projects.

Mr. Brooks reported that there was a change order relative to the contract with Schnabel Engineering for the Round Valley Project. The Authority schedule and the rules for NJEIFP financing require separate submittals for the environmental decision documents for projects that are on different timelines. The Authority staff is moving the grouting of the abutments and the

dredging of the intake channel on more ambitious schedules than the large project. Additional work is required to provide separate documents for each project. The proposal of \$12,796 for the additional work was approved by the Chair of the Capital Projects Committee and brings the total contract with Schnabel Engineering to \$9,559,105.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that the Authority received two non-point source grants from the New Jersey Department of Environmental Protection ("NJDEP"); one for \$145,000 which is a continuation of the Mini-grant program; and the other for \$600,000 for stormwater basins in Franklin Township.

Mr. Klipstein discussed the dosing of the D&R Canal with low levels of the herbicide, Fluridone, to address the invasive Hydrilla. The dosing began in May, continued for 120 days and ceased during the final week of September. Mr. Klipstein stated that the project was very successful and was conducted at a lower cost than expected. Mr. Klipstein noted that there was very little negative public reaction to the project. Mr. Klipstein stated that the Authority is still waiting to receive the aquatic weed survey work for the additional forty miles of the Canal; however, preliminary data indicates that there is very little of concern. In response to a question by Mr. Havens, Mr. Klipstein stated that testing will continue for the season until the Fluridone is no longer detectable.

NEW BUSINESS

Mr. Picco provided background information on the Resolution accepting the audit prepared by Mercadien, P.C. Certified Public Accountants, for the year ended June 30, 2017. Mr. Picco stated that the Audit Committee met with Mercadien, P.C. earlier in the day. Mercadien, P.C. has issued a clean report with one minor suggestion regarding the updating of finance manuals with personnel changes. Mr. Picco stated that the Audit Committee recommends that the audit be accepted.

Mr. Picco moved the Resolution accepting the audit prepared by Mercadien, P.C. Certified Public Accountants, for the year ended June 30, 2017. Mr. Iacullo seconded the motion for the Resolution. All Authority members approved the Resolution.

Beth Gates provided background information on the Resolution authorizing the Executive Director to negotiate and execute a contract with the Royce Brook Golf Club LLC for renewal of uninterruptible service from the Raritan Basin System. Ms. Gates stated that the Royce Brook Golf Club contract expires December 31, 2017. The proposed contract renewal is for a five year period with no changes in terms of 0.165 million gallons per day ("mgd"). A

notice of public hearing was advertised and there were no responses or concerns raised, therefore the hearing was canceled.

Mr. Mai moved the Resolution authorizing the Executive Director to negotiate and execute a contract with the Royce Brook Golf Club LLC for renewal of uninterruptible service from the Raritan Basin System. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Marc Brooks provided background information on the Resolution authorizing the Executive Director to execute an agreement for professional engineering services required for the 2017 Formal Inspection of the Dam and Dikes at the Manasquan Reservoir System in Howell Township, Monmouth County WSA-R17041M. Mr. Brooks stated that New Jersey Dam Safety requires that a formal dam inspection be conducted every three years. It is the Authority practice to have the formal dam inspections done every three years by outside consultants. Staff also recommends a thorough review of the existing instrumentation on the dam. A request for proposals ("RfP") was prepared for a consultant to perform the formal dam inspection as well as functionality testing and a thorough review of the existing instrumentation. Typical procurement procedures were followed and staff recommends that a contract be awarded to Civil Dynamics, Inc. from Stockholm, New Jersey for a lump sum amount of \$63,060.

Mr. Picco moved the Resolution authorizing the Executive Director to execute an agreement for professional engineering services required for the 2017 Formal Inspection of the Dam and Dikes at the Manasquan Reservoir System in Howell Township, Monmouth County WSA-R17041M. Mr. Havens seconded the motion for the Resolution. All Authority members approved the Resolution.

Marc Brooks provided background information on the Resolution authorizing the Executive Director to Execute Amendment No. 6 to 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 under authorization from Resolution Number 1960, dated August 2, 2010, the Authority entered into a contract with URS Corporation ("URS") for cultural resources services for the D&R Canal Dredging Project for a reimbursable cost not to exceed amount of \$118,348.20. Five previous amendments have been approved, totaling just under \$89,000. The majority of the proposed amendment is to allow for a cost increase due to a condition of a NJDEP permit issued by the Historic Preservation Office ("HPO") which requires that the Authority provide full time observation by an archeologist during specific operations during the project. Staff recommends that Amendment No. 6 be issued to the contract with URS Corporation for a reimbursable cost not to exceed amount of \$54,061.10, bringing the total amount of the project to \$261,286.70.

Mr. Iacullo moved the Resolution authorizing the Executive Director to Execute Amendment No. 6 to 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. Mai seconded the motion for the Resolution. All Authority members approved the Resolution.

Marc Brooks provided background information on the Resolution Authorizing the Executive Director to Execute an Agreement for Professional Engineering Services required for the rehabilitation of the Landing Lane Spillway at Station 2999+50 of the Delaware and Raritan Canal in the City of New Brunswick, Middlesex County, and the rehabilitation of the Canal embankment downstream of the Island Farm Weir on the Raritan River and Station 2601+40 on the Delaware and Raritan Canal, Somerset County, RFP WSA-R17033. Mr. Brooks stated that the Landing Lane Spillway Rehabilitation Project has been on the Capital Improvements Project list for a long time. A separate portion of the project is to make repairs to an existing embankment downstream of the Island Farm Weir. Staff followed typical procurement procedures, as outlined in the memorandum for the resolution, and recommends that a contract be awarded to Mott MacDonald from Morristown, New Jersey for a lump sum and time and material not to exceed amount of \$237,800.00.

Mr. Havens moved the Resolution Authorizing the Executive Director to Execute an Agreement for Professional Engineering Services required for the rehabilitation of the Landing Lane Spillway at Station 2999+50 of the Delaware and Raritan Canal in the City of New Brunswick, Middlesex County, and the rehabilitation of the Canal embankment downstream of the Island Farm Weir on the Raritan River and Station 2601+40 on the Delaware and Raritan Canal, Somerset County, RFP WSA-R17033. Mr. Mai seconded the motion for the Resolution. All Authority members approved the Resolution.

Marc Brooks provided background information on the Resolution authorizing the Executive Director to Enter into a Purchase Order Agreement for the purchase of a New Utility Tractor and Side Mounted Boom Mower with Forestry Head, for the Raritan Basin System. Mr. Brooks stated that there is a need to replace an existing, non-functioning piece of equipment which is not available under state contract. Bids were obtained through typical procurement procedures as outlined in the memorandum for the resolution. Staff recommends that the bid submitted by Deer County Farm & Lawn, Inc. of Allentown, Pennsylvania be accepted and a purchase order agreement be issued in the amount of \$134,146.61.

Mr. Havens moved the Resolution authorizing the Executive Director to Enter into a Purchase Order Agreement for the purchase of a New Utility Tractor and Side Mounted Boom Mower with Forestry

Head, for the Raritan Basin System. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Marc Brooks provided background information on the Resolution authorizing the Executive Director to enter into a Purchase Order Agreement for the purchase of one new 2018, 10-wheel, 3-axle, 72,000 pound maximum gross vehicle weight, roll-off cab & chassis truck with hoist for the Raritan Basin System. Mr. Brooks stated that there is a need to purchase a new roll-off truck to replace a previously retired tri-axle truck that was worn beyond economic repair after 28 years of service. This equipment is not available under state contract. Staff obtained bids through typical procurement procedures as outlined in the memorandum for the resolution. Staff recommends that the bid submitted by Bergey's Trucks, Inc., of Trenton New Jersey be accepted and a purchase order be issued in the amount of \$184,950.00. Mr. Picco expressed surprise that only one bid was submitted to which Ms. Gates concurred and noted that it was advertised and posted on the Authority website and on the State of New Jersey Business Opportunity website.

Mr. Havens moved the Resolution authorizing the Executive Director to enter into a Purchase Order Agreement for the purchase of one new 2018, 10-wheel, 3-axle, 72,000 pound maximum gross vehicle weight, roll-off cab & chassis truck with hoist for the Raritan Basin System. Mr. Picco seconded the motion for the Resolution. All Authority members approved the Resolution.

Ken Klipstein provided background information on the Resolution ratifying the action of the Executive Director in executing a contribution agreement between the Authority and the United States Department of Agriculture - Natural Resources Conservation Service to provide conservation technical assistance in the Raritan Basin. Mr. Klipstein stated that the Board received the updated version of the Resolution. Mr. Klipstein noted that the agreement is to support staffing of the River-Friendly Farms Program and the Agricultural Mini-Grants Program. Mr. Klipstein described the agreement as a three-year cooperative agreement at \$54,336, which allows for an Authority staff person at a shared cost with the Federal government.

Mr. Mai moved the Resolution ratifying the action of the Executive Director in executing a contribution agreement between the Authority and the United States Department of Agriculture - Natural Resources Conservation Service to provide conservation technical assistance in the Raritan Basin. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

COMMITTEE REPORTS

- (a) Personnel - no report
- (b) Finance - no report; presentation will be provided at the December Board meeting
- (c) Audit - Reported during New Business
- (d) Public Participation - no report
- (e) Capital Projects - no report
- (f) Insurance - no report
- (g) Watershed Lands Acquisition Committee - no report

PUBLIC COMMENT

Mr. Shope introduced himself and asked, in reference to New Business item "D", if there has been any cost benefit analysis on the useful outcome to the history of the State of having an archeologist present during a dredging project.

Mr. Brooks stated that it is a condition of the HPO permit that the archeologist be present and that the Authority is required to comply. Ms. Gates noted that the archeologist will be present during the removal of the debris, but not through the dredging process. Ms. Gates stated that to her knowledge, no such cost benefit analysis has been made. Mr. Picco suggested that Mr. Shope write a letter to the HPO office with a copy to the policy office in the Governor's office if he should wish to effect a change in such requirements.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Mr. Havens moved to adjourn the meeting. Ms. Blew seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:26 P.M.

I hereby certify this to be a true and original copy of the October 2, 2017 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman
Michelle Rollman
Executive Secretary II