



## NEW JERSEY WATER SUPPLY AUTHORITY

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### Minutes of the Meeting of the New Jersey Water Supply Authority February 1, 2016

A regular meeting of the New Jersey Water Supply Authority was convened on February 1, 2016 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, Patricia Gardner served as Acting Chair of the meeting and called the meeting to order.

Senior Deputy Attorney 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: Patricia Gardner, Acting Chair  
Susan Blew  
Ellsworth Havens  
Shing-Fu Hsueh - by phone  
Robert Iacullo - Absent  
Louis Mai  
Steven J. Picco

A quorum existed for the transaction of Authority business.

#### Interested Parties Present:

Oleg Kostin, New Jersey American Water  
Frank Falco, Middlesex Water and East Brunswick  
Gordon Sell, Friends of Spruce Run  
Robert Barth, D&R Canal Watch  
Edward Walker, East Brunswick Water Supply  
Dave Shope, Self

#### Authority Staff Present:

Henry Patterson, Executive Director  
Zenona Puc, Executive Secretary II  
Marc Brooks, Chief Engineer

Beth Gates, Director Finance and Administration  
Kenneth Klipstein, Director Watershed Protection Programs  
Susan Buckley, Controller  
Paul McKeon, Manager Manasquan Water Supply System  
Alexander Michalchuk, Senior Project Engineer  
Lisa LeBoeuf, Governor's Authorities Unit  
Helene Chudzik - Deputy Attorney General

#### APPROVAL OF THE MINUTES

Acting Chair Patricia Gardner opened the meeting by asking for the approval of the minutes of the December 7, 2015 meeting. Mr. Picco moved for the approval of the minutes as prepared and this motion was seconded by Mr. Mai. The minutes of the December 7, 2015 meeting were approved by the Board.

#### EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson introduced Patricia Gardner as the Acting Chair for the Authority meetings. Ms. Gardner is the new Director of the Division of Water Supply and Geoscience.

Mr. Patterson stated that the public hearings on the FY2017 Rates will be held on Thursday, February 4, 2016 at 11:00 AM for the Manasquan Reservoir System. Commissioner Mai will be the Hearing Officer. The public hearing for the Raritan Basin System will be held on Friday, February 5, 2016 at 10:00 AM. Commissioner Havens will be the Hearing Officer.

Mr. Patterson stated Spruce Run Reservoir is at 54 percent of capacity and Round Valley is at 81 percent of capacity. The Manasquan Reservoir is at 98 percent of capacity.

Mr. Patterson stated that Authority staff continues to pursue the refunding of the 2005 Manasquan Revenue Bonds in order to take advantage of debt service savings.

Mr. Patterson stated that at the end of August 2015, the Environmental Protection Agency (EPA) performed a four-day audit of the water quality at the Manasquan Water Treatment Plant. Mr. Patterson stated that Authority staff received the EPA report and a response to EPA's letter was sent out.

Mr. Patterson handed out a flyer entitled New Jersey Canals & Local History Symposium.

#### COMMUNICATION/CORRESPONDENCE

Mr. Patterson stated that there was no communications or correspondence received.

## UNFINISHED BUSINESS

Mr. McKeon stated that everyone has a copy of the Operations Report for the Manasquan Reservoir System. Mr. McKeon stated that operations are normal and the Reservoir is full. Mr. McKeon stated that the wall in the distribution well project is underway and the shut-down will begin in March as planned.

Mr. Brooks stated that as of Friday, Spruce Run was at 54 percent of capacity and Round Valley at 80.3 percent of capacity.

Mr. Brooks discussed the pinhole leak that was discovered in the valve vault release piping at Spruce Run Reservoir and that a consulting engineer mobilized in December. Mr. Brooks stated that the draft drawings from the consultant were received and Authority staff is reviewing the drawings and expects to go out to bid with a short list of at least three contractors this month.

Mr. Brooks stated that all permits have been submitted for the Cherry Tree Lane Spillway on the Canal. Mr. Brooks stated that the Authority received all of the permits except one and expects to go out to bid for a July 1 start of construction.

Mr. Brooks stated that the Capital Projects Committee approved Amendment No. 7 in the amount of \$98,359 with Gannett Fleming for work associated with the TRB (Technical Review Board) and their recommendations to do further studies that they thought were necessary to complete the potential failure mode analysis.

Mr. Brooks stated that the Capital Projects Committee Chair approved Amendment No. 5 in the amount of \$10,000 for Professional Engineering Services to Urban Dredging Joint Venture for the Canal Dredging Project for surveying work associated with the newly purchased lot at 1391 Canal Road.

Mr. Brooks stated that Amendment No. 2 in the amount of \$9,000 was approved with Hatch Mott MacDonald for work associated with grouting of the baseplates of the new baseplates for the pumps and motors at the South Branch Pumping Station

Mr. Klipstein stated that everyone has a copy of his report and that there was nothing to add.

## NEW BUSINESS

Acting Chair Gardner stated that at this annual organizational meeting the Authority elects a Vice Chair, Treasurer and Secretary; and the Committee structure and members are assigned. Acting Chair Gardner requested that Resolutions A, B, C, & D be moved as a block

with one motion. There was no opposition to Acting Chair Gardner's request.

Acting Chair Gardner nominated Steven J. Picco for Vice Chair, Louis C. Mai for Treasurer and Shing-Fu Hsueh for Secretary. Acting Chair Gardner asked if there were any nominations from the floor. There were no other nominations.

Acting Chair Gardner stated that the Committees and their memberships are: Capital Projects Committee, Mr. Havens, Chair with Mr. Picco and Mr. Mai as members; Personnel Committee, Mrs. Blew, Chair with Mr. Picco and Mr. Havens as members; Insurance Committee, Dr. Hsueh, Chair with Mr. Mai and Mrs. Blew as members; Audit Committee, Mr. Picco, Chair with Mr. Iacullo and Mrs. Blew as members; Finance Committee, Mr. Mai as Chair with Mr. Iacullo and Mr. Havens as members; Watershed Lands Acquisition Committee, Mrs. Blew as Chair with Dr. Hsueh and Mr. Iacullo as members, and Public Participation Committee, Mr. Iacullo, Chair with Dr. Hsueh and Mr. Havens as members.

Mr. Picco moved Resolutions A, B, C, and D. Mr. Havens seconded the motion. All Authority members approved of the Resolutions. Acting Chair Gardner thanked all Authority Commissioners, Board members and staff for their work and efforts.

Ms. Buckley gave a report on the Unaudited Financial Statements for the three months ending September 30, 2015. Ms. Buckley stated that the Authority has 45 days at the end of each quarter to publish the report. Ms. Buckley stated that revenues and expenses are on target for the fiscal year and there are no areas of concerns. Ms. Buckley stated that the unaudited financial statements can be viewed on the Authority's website. Ms. Buckley stated that no action is required by the Board today.

Ms. Buckley provided the background information on the resolution authorizing banking authorized persons. Ms. Buckley stated that staff has been working with various banking institutions to designate the Authority's Executive Director, the Director of Finance and Administration and the Controller as authorized persons for banking purposes. Ms. Buckley stated that the enclosed Resolution for consideration establishes those authorized persons. Mr. Havens moved the Resolution authorizing the Executive Director, the Director of Finance and Administration and the Controller as authorized persons needed for banking purposes. Mr. Picco seconded the motion. All Authority members approved of this resolution.

Ms. Gates gave the background information on the Resolution authorizing the placement of the Authority's Insurance Program for the period of March 1, 2016 through February 28, 2017. Ms. Gates explained that this Resolution authorizes the binding of insurance,

with the approval of the Chair Insurance Committee, to place/renew the insurance program by March 1, 2016 to be further ratified in a Resolution at a subsequent Authority Meeting. Dr. Hsueh moved the Resolution authorizing the placement of the Authority's Insurance Program for the period of March 1, 2016 through February 28, 2016. Ms. Picco seconded the motion. All Authority members approved the Resolution.

Mr. Brooks provided the background information on the Resolution authorizing Amendment No. 3 to Contract WSA-C09015 for Professional Engineering Services required for the preparation of an Asset Management Plan for the South Branch Pumping Station in Clinton Township, Hunterdon County. Mr. Brooks explained that the services of an engineering consultant were needed for the development of a plan to service the pump and motor bedplates and the motor windings for the 10 main pumps at the South Branch Pumping Station, and for the development and preparation of an Asset Management Plan for the Pump Station. Mr. Brooks reviewed the four-task approach for the development of this Asset Management Plan. Following the Authority's typical procurement procedures a contract was authorized with Hatch Mott MacDonald (HMM) of Islin, NJ on August 3, 2009 by Resolution No. 1910. The original reimbursable cost not to exceed contract total was \$209,237. Amendment No. 1 was executed in the amount of \$4,200 on April 26, 2010, bringing the new contract total to \$213,437 for out-of-scope design work. With approval of the Chair, Capital Projects Committee Addendum No. 2 was approved in the amount of \$9,000 for consultation services, bringing the new contract total to \$222,437.

At the request of Authority staff, HMM provided a fee proposal for special inspection work during the startup of the pumps and motors. A motor expert (subcontractor to HMM) will be present to witness and perform tests on the motors during startup operation. A second expert (subcontractor to HMM) will inspect the installation and provide strain gages on the pumps, motors, bearing housings, and shaft to monitor vibrations and performance during pump startup. HMM will coordinate the subcontractors and be present on-site during pump startup. Authority staff recommends that Amendment No. 3 be issued to the HMM's Contract WSA-C09015 for Professional Engineering Services for a reimbursable cost not to exceed amount of \$33,800 bringing the new contract total to \$256,237. Mr. Havens moved the Resolution authorizing Amendment No. 3 to Contract WSA-C09015 for Professional Engineering Services required for the Preparation of an Asset Management Plan for the South Branch Pumping Station, Clinton Township, Hunterdon County with Hatch Mott MacDonald of Islin, NJ for a cost not to exceed \$33,800, bringing the contract total amount to \$256,237. Mr. Picco 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 - no report

PUBLIC COMMENT

Mr. Sell asked a question regarding the water levels at the Reservoirs. The question was addressed accordingly to his satisfaction.

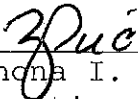
Mr. Shope asked about the date and time for the Raritan Basin System rates public hearing. Mr. Shope asked for the name of the anti-corrosive chemical that prevents lead from leaching from pipes. Mr. Shope also had a question about the South Branch Pumping Station pumps and usage.

EXECUTIVE SESSION

There was no need for an Executive Session.

Mr. Picco moved to adjourn the meeting. Mrs. Blew seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:25 P.M.

I hereby certify this to be a true and original copy of the February 1, 2016 New Jersey Water Supply Authority meeting minutes.

  
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Zenona I. Puc'  
Executive Secretary II