



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the New Jersey Water Supply Authority

November 7, 2016

A regular meeting of the New Jersey Water Supply Authority was convened on November 7, 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, Jeffrey Hoffman, State Geologist, 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: Jeffrey Hoffman, Acting Chair
Susan Blew
Ellsworth Havens
Shing-Fu Hsueh - by phone
Robert Iacullo
Louis Mai
Steven Picco - by phone

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Robert H. Barth, D&R Canal Watch
Ed Walker, East Brunswick Water and Sewer Utility
Oleg Kostin, New Jersey American Water
Dave Shope, Resident

Authority Staff Present:

Henry Patterson, Executive Director
Michelle Rollman, 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
Julie Shelley, Permit/Property Administrator

Alexander Michalchuk, Senior Project Engineer
William Brenner Jr., Manager Human Resources
Helene Chudzik, Senior Deputy Attorney General
Lisa R. LeBoeuf, Governor's Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Hoffman asked for a motion for approval of the Minutes of the October 3, 2016 meeting. Mr. Mai moved the motion approving the Minutes as prepared and the motion was seconded by Ms. Blew. The Minutes of the October 3, 2016 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

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

Mr. Patterson stated that on October 21, 2016 the Commissioner of the New Jersey Department of Environmental Protection declared a drought warning for New Jersey's Northwest, Northeast, Central, and Coastal North water supply regions. It has been very dry and the reservoirs are at a deficit. Mr. Patterson stated that the minimum passing flows have been reduced on the Raritan River. Mr. Patterson acknowledged the cooperation of the Operations staff of New Jersey American Water.

Mr. Patterson stated that under New Business, Authority Staff will discuss potential by-laws amendments.

Mr. Mai asked if the drought conditions will have any repercussions on the work planned for the Round Valley Dams. Mr. Patterson stated that he does not anticipate that it will and that he expects the Authority to put water back into Round Valley Reservoir during the winter.

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 it has been a standard month at the Manasquan facilities. There has been normal rainfall for the last two months, but because the ground has been so dry the rain was absorbed and has not resulted in a significant increase in river flow. Mr. McKeon stated that the reservoir storage elevation remains at 65 percent of capacity which is approximately 20 percent below the average for this time of year.

Mr. McKeon discussed the various projects that are currently commencing at the Manasquan facilities.

Mr. Brooks Reported on the Raritan Basin System. Mr. Brooks provided rainfall data from June through October of 2016 from the Clinton gauge. Mr. Brooks stated that as of Friday, November 4, 2016, Spruce Run Reservoir is down 24 feet to 3.67 billion gallons which is 33 percent of the capacity of 11 billion gallons. Round Valley Reservoir is also down 24 feet to 36.89 billion gallons which is two thirds of capacity. Mr. Brooks stated that the combined storage in Spruce Run and Round Valley Reservoirs is presently at 61.4 percent of capacity. Mr. Brooks stated that the average combined storage for this time of year is 89.2 percent of capacity.

Mr. Brooks stated that flows through the Canal are significantly improved. Weeds are dying back and the greatest impediments to the water flow are floating weeds and leaves. Mr. Brooks indicated that Thanksgiving is the usual time for the leaves to be cleared and the Canal flow is expected to be back to near 100 percent. Mr. Brooks stated that the Watershed group is moving forward with meeting with stakeholders regarding Hydrilla control in the Canal.

Mr. Brooks provided images of the Cherry Tree Lane Spillway. The project is substantially complete.

Mr. Brooks reported on the Round Valley Dam Rehabilitation Project. The contract was mailed to the engineer and Mr. Brooks anticipates that it will be signed this week. There is a kick-off meeting for the project scheduled for the week following Thanksgiving.

Mr. Brooks reported that there was a change order relative to Cultural Resources for the Capital Dredging Project. The original contract with URS Corporation was for \$118,348.20 and there have been three subsequent amendments totaling \$69,201.30. Mr. Brooks stated that as part of the permitting process, the state Historic Preservation Office requires that the Authority submit a specific application for project authorization and suggested that our consultant prepare that application. In addition, trees will need to be removed and replaced and archeological screening will need to be performed. URS Corporation proposed an amount of \$16,621.90 which was approved by the Chair of the Capital Projects Committee.

Mr. Hoffman noted that on Wednesday, November 09, 2016 there will be a DRBC hearing at Washington's Crossing where there will be discussion of drought designation in the Lower Delaware Basin which could potentially reduce the intake for the D&R Canal.

Mr. Mai asked if it was possible to mechanically remove the Hydrilla while using cofferdams or other barriers to prevent its

spread. Mr. Brooks stated that such a method would be cost prohibitive.

Mr. Patterson noted that the Authority currently has crews out seven days a week working to remove leaves from the Canal to maintain flow.

Mr. Klipstein stated that everyone has a copy of his report. Mr. Klipstein noted that the Watershed Division is working on the action plan to address the Hydrilla in the Canal in advance of the next growing season. All options will be reviewed and updates will be made as they are available. Mr. Klipstein anticipates that an herbicide will be involved.

NEW BUSINESS

Ms. Gates discussed proposed by-laws amendments. Ms. Gates stated that the by-laws were adopted in 1982 and subsequently have been amended four times. Ms. Gates stated that if the Board concurs with the proposed changes, the resolution to amend the by-laws will be presented at the December meeting. Ms. Gates reviewed in detail changes that were provided to the Board via written memo regarding the approval of the minutes, duties of the Treasurer, typographical clarifications, and consistencies of language. Ms. Gates also reviewed in detail the current and proposed changes to procurement procedures and authorization thresholds. Ms. Gates offered to answer any questions and invited feedback from the Board at any time.

Ms. Gates provided background information on the Resolution accepting the Collective Bargaining Agreement between the State of New Jersey and the International Brotherhood of Electrical Workers ("IBEW") for the period July 1, 2015 through June 30, 2019. Ms. Gates noted that union contracts are negotiated by the Governor's office. The terms of this agreement are identical to the terms of the agreement with the International Federation of Professional and Technical Engineers ("IFPTE") which the Board accepted by resolution at the August meeting.

Mr. Mai moved the Resolution accepting the Collective Bargaining Agreement between the State of New Jersey and the International Brotherhood of Electrical Workers ("IBEW") for the period July 1, 2015 through June 30, 2019. Mr. Iacullo seconded the motion for the Resolution. All Authority members approved the Resolution.

Ms. Gates provided background information on the Resolution Adopting an Incentive Plan under the State Health Benefits Program. Ms. Gates stated that the State of New Jersey wishes to encourage members to join tiered network plans. Ms. Gates discussed the difference in relative premium costs compared to the cost of incentive payments. Ms. Gates indicated that there is some employee interest in the program. Member employees would be

required to commit to a tiered network plan for two years to be eligible to receive the incentive payment. Mr. Iacullo asked if the incentive is taxable to which Ms. Gates responded that it is. The Board further discussed the plan and Ms. Gates provided clarifications.

Mr. Mai moved the Resolution Adopting an Incentive Plan under the State Health Benefits Program. Mr. Iacullo seconded the motion for the Resolution. All Authority members approved the Resolution.

Ms. Gates provided background information on the Resolution authorizing the renewal of the Authority's Insurance Coverage for the period of March 1, 2017 through February 28, 2018. Ms. Gates explained that this resolution authorizes the Executive Director to bind insurance coverage by March 1, 2017, with the approval of the Chair of the Insurance Committee, to be further ratified in a Resolution at a subsequent Authority meeting. Mr. Mai asked if this process will be impacted by the proposed by-law changes to purchasing procedures. Ms. Gates indicated that there would not be an impact.

Mr. Mai moved the Resolution authorizing the renewal of the Authority's Insurance Coverage for the period of March 1, 2017 through February 28, 2018. Mr. Havens seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Picco provided background information on the Resolution accepting the audit prepared by CliftonLarsonAllen, LLP, Certified Public Accountants, for the fiscal year ended June 30, 2016. Mr. Picco discussed delays in the audit process. Mr. Picco stated that the Audit Committee recommended that the audit be accepted and any issues with the audit firm be resolved by correspondence.

Mr. Picco moved the Resolution accepting the audit prepared by CliftonLarsonAllen, LLP, Certified Public Accountants, for the fiscal year ended June 30, 2016. Mr. Iacullo seconded the motion for the Resolution. All Authority members approved the Resolution.

Ms. Shelley provided background information on the Resolution authorizing the Executive Director to dispose of a fee simple interest in the Goodyear house at 107 Old Mountain Road, Clinton Township, Hunterdon County. Ms. Shelley stated that in September the Board authorized the sale of the house which was occupied by an employee for a number of years. The house was listed on the market in the end of September and four offers were received. In October the offers were presented to the Finance Committee who concurred with staff to accept the highest offer. Ms. Shelley discussed inspection issues and negotiations. The purchase price is \$295,000 and the settlement price will be \$280,000. The closing is scheduled for the end of November with Board approval of the proposed resolution.

Ms. Blew moved the Resolution authorizing the Executive Director to dispose of a fee simple interest in the Goodyear house at 107 Old Mountain Road, Clinton Township, Hunterdon County. Mr. Mai seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Mai provided background information on the Resolution extending the appreciation of the Authority to Senior Deputy Attorney General Helene P. Chudzik for her work in behalf of the New Jersey Water Supply Authority and for her distinguished public Service. Mr. Mai read the proposed resolution to the Board. Ms. Chudzik thanked the Board and stated that she will be leaving the Authority in good hands.

Mr. Mai moved the Resolution extending the appreciation of the Authority to Senior Deputy Attorney General Helene P. Chudzik for her work in behalf of the New Jersey Water Supply Authority and for her distinguished public Service. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

COMMITTEE REPORTS

- (a) Personnel - no report
- (b) Finance - no report
- (c) Audit - Presented with Resolution 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. Barth introduced himself and stated that the D&R Canal Watch will be conducting a "Walk through History" on November 26, 2016. The walk will begin at Alexander Road at 10:00 a.m. Mr. Barth invited all to attend.

Mr. Shope introduced himself and asked, in reference to New Business item "F", if there were any deed restrictions placed on the property. Mr. Patterson answered that there is a pipeline easement in place but no other deed restrictions.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Mr. Havens moved to adjourn the meeting. Mr. Iacullo seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:40 P.M.

I hereby certify this to be a true and original copy of the November 7, 2016 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman

Michelle Rollman
Executive Secretary II