



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the New Jersey Water Supply Authority August 6, 2018

A regular meeting of the New Jersey Water Supply Authority was convened on August 6, 2018 at 2:00 P.M. in the Conference Room of the New Jersey Water Supply Authority's Manasquan Water Supply System Administration Building located on Hospital Road, Wall, New Jersey.

As designated by Catherine R. McCabe, 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 Meeting Act".

Executive Director, Beth Gates, took the roll call of the Authority members.

Present: Jeffrey Hoffman, Acting Chair
Ellsworth Havens
Robert Iacullo
Steven Picco
Susan Blew - by phone

Absent: Shing-Fu Hsueh

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Oleg Kostin, New Jersey American Water
Scott Raschke, Schnabel Engineering

Authority Staff Present:

Beth Gates, Executive Director
Michelle Rollman, Executive Secretary II
Marc Brooks, Chief Engineer - by phone
Susan Buckley, Director Finance and Administration
Paul McKeon, Director Manasquan Water Supply System/D&R Canal
Kathy Hale, Principal Watershed Specialist
Jung Kim, Deputy Attorney General
Brian Wilton, Governor's Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Hoffman asked for the approval of the minutes of the June 4, 2018 meeting. Mr. Picco moved the motion approving the Minutes as prepared and the motion was seconded by Mr. Iacullo. The Minutes of the June 4, 2018 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Ms. Gates stated that everyone has a copy of her report and that she had nothing to add except that, because of recent rains, the Spruce Run Reservoir is currently spilling which is unusual for the month of August.

COMMUNICATIONS/CORRESPONDCE

The only item of communications and correspondence is a news release dated April 24, 2018 from the Government Finance Officers Association to announce the award of a Certificate of Achievement for Excellence in Financial Reporting to the New Jersey Water Supply Authority for its comprehensive annual financial report.

UNFINISHED BUSINESS

Mr. McKeon provided a report on the Manasquan Reservoir System and Water Treatment Plant/Transmission System. Mr. McKeon stated that everyone has a copy of his report. Mr. McKeon stated that the Reservoir is near capacity and near a record high for the month of August. Rainfall has been consistent and somewhat above average. Mr. McKeon described a difference in the Manasquan pumping strategy this year which has also contributed to the higher water level in the reservoir. Mr. McKeon noted that there is less algae in the reservoir this year, most likely due to the increased depth.

Mr. McKeon stated that discussions are being held with the Southeast Monmouth Municipal Utilities Authority ("SMMUA") regarding the potential installation of an additional 1 MGD of filter capacity at the Water Treatment Plant.

Mr. Brooks provided a report on the Raritan Basin System. Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks stated that the Authority began releasing from Spruce Run on July 2, 2018. As of Friday, Spruce Run elevation was at 272.82 or 99.4 percent full and is now at 100 percent full. Round Valley Reservoir was at elevation 374.72 which is 86 percent of capacity. The combined capacity is 88.3 percent while the average for this time of year is 93.1 percent.

Mr. Brooks stated that operations are normal. Canal crews are still cleaning up the approximately 200 trees that fell during the April Nor'easters. Mr. Brooks noted that the Griggstown Wastegate project is underway.

Mr. Brooks reported on the Canal Dredging Project. Dredging began during the week of July 9, two dredges were operating as of July 16, and a third dredge started on July 23. Mr. Brooks noted that the project staging, or dewatering area, is a large and impressive operation. Photographs are provided in the written operations report.

Mr. Brooks discussed the Spruce Run Administration Building Sanitary Sewer Replacement project. There is a problem with the main sewer discharge at the Spruce Run Administration Building. The sanitary line that serves everything in the building except the two restrooms near the conference room is collapsing, which has been confirmed by video. The line clogged twice causing backups in the work areas. With the approval of the entire capital projects committee, this project was determined to be an emergency and a modified procurement was approved. Staff prepared plans and specifications and sent bid packages to 13 local contractors. Three bids were received on July 26 between \$75,549 and \$96,758. The low bidder also had the best schedule. A contract was executed last week with KDP Developers of Phillipsburg in the amount of \$75,549.00 and staff will seek approval of a resolution ratifying the actions of the Executive Director in executing the contract at the next scheduled Board meeting.

Mr. Brooks reported on the Round Valley Reservoir Dams-Rehabilitation and Resource Preservation Project. Regarding the embankments, an important meeting was held on April 25 that included the engineer of record, the owner's engineer, the TRB, a representative from NJDEP Dam Safety and Authority staff to discuss the two primary alternatives recommended in the Schematic Design Report. The result of the meeting was a recommendation for the consideration of a separate alternative. A second three-day meeting with the same group took place during the week of June 11. A schematic design was proposed and agreed to by the team. A construction Potential Failure Mode Analysis ("PFMA") was performed. This was a specific recommendation made by the TRB and the NJDEP Dam Safety section. The chosen design for the North and South Dams will include excavation into the slope. The excavated material will be stockpiled in staging areas on site. This rehabilitation method will save approximately \$20 million when compared to the alternative approach and will reduce truck traffic by upwards of 40,000 round trips. Mr. Brooks offered to answer any questions from the Board.

Ms. Gates noted that Mr. Klipstein was absent. Ms. Gates reported on the Watershed Management Program. Ms. Gates stated everyone has a copy of Mr. Klipstein's report and that he provided a few additional notes. The four-acre pilot Hydrilla management project located at the Manasquan Reservoir Boat Launch began on June 7, 2018 with a low dose application of Sonar H4C. The second application was conducted on July 10. While Hydrilla has been observed at depths of up to 19 feet in other parts of Reservoir this year, the Hydrilla in the pilot area is showing signs of chlorosis from the herbicide. Watershed staff surveyed the aquatic plant

community in and around the pilot area on June 7, June 26, and July 17, 2018.

Ms. Gates stated that according to Mr. Klipstein, it has been a very subdued aquatic plant season on the canal with only trace amounts of Hydrilla observed as well as sparse amounts of native plants including common waterweed, water crowfoot, pondweeds, and water celery. According to Mr. Klipstein this information is positive, but requires continued vigilance. No concerns have been expressed by Authority customers or the public regarding the treatment program this season and all water monitoring results have been within expected detection limits.

NEW BUSINESS

Kathy Hale provided background information on the resolution authorizing the Executive Director to execute an agreement with the New Jersey Department of Environmental Protection for the project "Stormwater Basin Retrofits and Water Quality Best Management Practice Projects, Franklin Township, Somerset County - Phase 1". Ms. Hale stated that in 2006 and 2007, the New Jersey Water Supply Authority received funding from the New Jersey Department of Environmental Protection ("NJDEP") to implement the "Delaware and Raritan Canal Tributary Assessment and Nonpoint Source Management Plan. In 2017, NJDEP and the Authority agreed to terminate the existing agreement and to develop a new contract agreement for the project. The Authority submitted a proposal in May 2017, and the Board approved a resolution to enter into a contract with NJDEP in June 2017. NJDEP subsequently approved a slightly modified budget and requested that the Authority execute an updated resolution.

Mr. Picco moved the resolution authorizing the Executive Director to execute an agreement with the New Jersey Department of Environmental Protection for the project "Stormwater Basin Retrofits and Water Quality Best Management Practice Projects, Franklin Township, Somerset County - Phase 1". Mr. Iacullo seconded the motion. All Authority members approved of the resolution.

Kathy Hale provided background information on the resolution authorizing the Executive Director to execute an agreement with the New Jersey Department of Environmental Protection for the project "Raritan Basin Agricultural Mini-Grants". In 2009, the Authority received funding from the New Jersey Department of Environmental Protection (NJDEP) to implement the proposal "Addressing Agricultural Nonpoint Source Pollution in Priority Watersheds of the Raritan Basin", or the "Ag Mini-Grants Program". In 2017, NJDEP and the Authority agreed to terminate the existing agreement and to develop a new contract agreement for the project. That proposal was submitted to NJDEP in May 2017, and the board approved a resolution in June 2017. NJDEP subsequently approved a slightly modified budget and requested that the Authority execute an updated resolution.

Mr. Picco moved the resolution authorizing the Executive Director to execute an agreement with the New Jersey Department of Environmental Protection for the project "Raritan Basin Agricultural Mini-Grants". Mr. Havens seconded the motion. All Authority members approved of the resolution.

Mr. McKeon provided background information on the Resolution authorizing the Executive Director to enter into a contract agreement for the Purchase and Installation of a Manual Transfer Switch and Appurtenant Work for a Portable Generator Connection at the Manasquan Water Treatment Plant, Wall Township, Monmouth County. Mr. McKeon described the proposed electrical improvements which will provide backup electrical power at the Manasquan Water Treatment plant for the treatment of 1.2 MGD in the event of a utility electrical power and existing plant standby generator failure. Mr. McKeon also described the procurement process in which four bids were received on June 7, 2018. In response to a question by Mr. Hoffman, Mr. McKeon stated that the installation will take approximately three weeks and will not require a plant shutdown.

Mr. Havens moved the resolution authorizing the Executive Director to enter into a contract agreement with LaManna Electric Incorporated of Trenton, New Jersey for the Purchase and Installation of a Manual Transfer Switch and Appurtenant Work for a Portable Generator Connection at the Manasquan Water Treatment Plant for a lump sum cost of \$55,868.00. Mr. Picco seconded the motion. All Authority members approved of the resolution.

Mr. Brooks provided background information on the resolution authorizing the Executive Director to execute Amendment No. 7 to Contract WSA-C16023 for Professional Engineering Services required for the Round Valley Reservoir Structures - Rehabilitation and Resource Preservation Project. With Resolution 2248 on September 12, 2016, the Authority entered into a contract with Schnabel Engineering for a lump sum and reimbursable cost not to exceed amount of \$9,308,154.00. Amendments 1 through 6 were approved by either the full Board, the full Capital Projects Committee or the Chair of the Capital Projects Committee to increase the contract to \$ 9,785,962. Proposed Amendment No. 7 includes costs associated with three separate items that are necessary to move forward with the chosen design option; installing 6 piezometers each on the downstream side of the North and South Dams to rule out a potential failure mode that was considered by the TRB; installing test wells that may be necessary to complete the design of the dewatering system; and the design of the dewatering system which the TRB agreed should be completed by the engineer as opposed to the contractor. It was agreed unanimously that this represented an improvement in dam safety during the project. Amendment No. 7 is in the amount of \$647,479 and brings the new contract total to \$10,433,441. Mr. Brooks noted that the decision to proceed with the excavation method will save an estimated \$20 million on the construction contract and \$1 million for the allowance for investigations associated with the borrow areas on this engineering contract.

Mr. Iacullo moved the resolution authorizing the Executive Director to execute Amendment No. 7 to Contract WSA-C16023 with Schnabel Engineering of West Chester, Pennsylvania for Professional Engineering Services required for the Round Valley Reservoir Structures - Rehabilitation and Resource Preservation Project. Mr. Havens seconded the motion. All Authority members approved of the resolution.

Ms. Buckley provided background information on the resolution authorizing the execution of a Risk Management Consulting Services Agreement. Ms. Buckley stated that a Request for Proposals was advertised and three consultants submitted proposals. The proposals were reviewed. With the approval of the Insurance Committee Chair, the fee proposals of the three ranked firms were opened. Ms. Buckley discussed the amounts of the fee proposals from the three rated firms. Ms. Buckley stated that this resolution would authorize entering into a one-year contract for program review and remarketing, with the option to renew for two consecutive one-year periods for general consulting services. In response to a question by Mr. Hoffman, Ms. Buckley stated that the contract price for the renewal periods would be negotiated.

Mr. Havens moved the resolution authorizing the execution of a Risk Management Consulting Services Agreement with Albert Risk Management Consultants of Needham, MA for a total cost not to exceed \$33,000. Mr. Picco seconded the motion. All Authority members approved of the resolution.

COMMITTEE REPORTS

- (a) Personnel - no report
- (b) Finance - no report
- (c) Consumers - no report
- (d) Audit - no report
- (d) Public Participation - no report
- (e) Capital Projects - no report
- (f) Insurance - no report
- (h) Watershed Lands Acquisition Committee - no report

PUBLIC COMMENT

There were no public comments.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Mr. Iacullo moved to adjourn the meeting. Mr. Picco seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:23 P.M.

I hereby certify this to be a true and original copy of the August 6, 2018 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman

Michelle Rollman
Executive Secretary II