



NEW JERSEY WATER SUPPLY AUTHORITY

P.O. BOX 5196 • CLINTON, N.J. 08809 • (908) 638-6121 • (908) 638-5241 (FAX)

Minutes of the Meeting of the New Jersey Water Supply Authority August 7, 2017

A regular meeting of the New Jersey Water Supply Authority was convened on August 7, 2017 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 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.

Deputy Attorney General Jung Kim read the statement required by the "Open Public Meeting Act".

Director of Finance and Administration, Beth Gates, took the roll call of the Authority members.

Present: Jeffrey Hoffman, Acting Chair
Ellsworth Havens - by phone
Shing-Fu Hsueh - by phone
Robert Iacullo
Louis Mai - by phone
Steven Picco - by phone
Susan Blew - by phone

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Oleg Kostin, New Jersey American Water
David Brogle, Middlesex Water Company

Authority Staff Present:

Beth Gates, Executive Director
Michelle Rollman, Executive Secretary II
Marc Brooks, Chief Engineer
Susan Buckley, Controller
Paul McKeon, Director Manasquan Water Supply System/D&R Canal
Julie Shelley, Permit/Property Administrator
Ken Klipstein, Director Watershed Protection Programs
Anthony Colasurdo, Project Engineer II
Heather Desko, Senior Watershed Protection Specialist

Jung Kim, Deputy Attorney General
Nicholas Kant, Governor's Authorities Unit - by phone

APPROVAL OF THE MINUTES

Acting Chair Hoffman asked for the approval of the minutes of the June 5, 2017 meeting. Mr. Iacullo moved the motion approving the Minutes as prepared and the motion was seconded by Mr. Mai. The Minutes of the June 5, 2017 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Ms. Gates stated that everyone has her report. Ms. Gates stated that the website, www.njwsa.org, has been updated and acknowledged the efforts of the staff who worked on the project.

Ms. Gates stated that the New Jersey Department of Environmental Protection is likely to lift the drought warning in Hunterdon and Somerset Counties in the near future because Spruce Run Reservoir has recovered well.

Ms. Gates stated that Heather Desko and Ken Klipstein would provide a presentation on aquatic weed control and that there will be a brief executive session to discuss contract matters. Ms. Gates noted that New Business, Item C will be stricken from the agenda because of an issue with the bid process.

Ms. Gates welcomed Nicholas Kant who is representing the Governor's Authorities Unit.

Ms. Gates distributed aerial photographs illustrating the extent of the plume of stone dust which was accidentally pumped by Eastern Concrete Materials, in Glen Gardner, into the Spruce Run Creek and has reached the Spruce Run Reservoir inlet. Ms. Gates stated that DEP compliance and enforcement will be controlling the clean-up and that the Authority will continue to be involved and apprised. The Authority is conducting water quality monitoring.

Mr. Hoffman described the Glen Gardner Quarry and the process through which stone dust is cleaned from the quarry by water and is collected in a sedimentation pond where it settles to the bottom. Under normal conditions clear water is pumped from the top of the pond, but during the weekend of July 29 and 30 a miscommunication between the quarry staff occurred and the pumps were allowed to continue pumping too far down into the silt pond, discharging a large quantity of silt into the Spruce Run. Mr. Hoffman stated that while upstream of the incident, the Spruce Run remains a "rocky bottom" Highlands Trout Production Stream, downstream of the outlet, the stream bed is covered with silt and the benthic macroinvertebrates and substratum have been killed. Mr. Hoffman stated that remediation and enforcement actions will be taken through coordinated efforts. Mr. Hoffman responded to a question from Mr. Iacullo regarding the timing of the incident and a question from Mr. Havens regarding the

long term impact. Mr. Hoffman discussed the various methods that may be utilized for remediation. Ms. Gates responded to a question from Mr. Iacullo and indicated that the Authority will be tracking associated costs to be recovered.

COMMUNICATIONS/CORRESPONDCE

Ms. Gates stated that there was one item of communications and correspondence received regarding the award of a Certificate of Excellence in Financial Reporting to the Authority by the Government Finance Officers Association.

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 there have been no operational issues or problems. Mr. McKeon stated that the SMMUA Board commissioned a hydraulics report which showed that the Authority transmission line and interconnects are in hydraulically favorable positions for the five towns.

Mr. McKeon stated that the Reservoir is at 90 percent of capacity and that rainfall for the last few months has been average. Mr. McKeon stated that the water quality is very good and clear. Mr. McKeon noted that New Jersey American Water has been purchasing some additional water.

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 Spruce Run Reservoir has increased from its low elevation for the year of 248.6 feet in November 2016 to its current high for the year of 271.75 feet. Spruce Run is at 10.5 billion gallons which is 95 percent of capacity. Mr. Brooks stated that pumping to Round Valley Reservoir was completed on June 9 and that 5.4 billion gallons was pumped. Round Valley Reservoir remains 15 feet below full pool at 43 billion gallons which is 78.3 percent of capacity. The combined capacity is 81.1 percent while the average for this time of year is 93.4 percent.

Mr. Brooks discussed the three seepage locations that have been monitored on the canal. The location in West Amwell Township was repaired with chemical grouting. Mr. Brooks stated that a resolution would be presented during the New Business section of the meeting.

Mr. Brooks stated that the contractor for the seepage down-canal of Blackwells Mills Causeway expects to have steel sheeting delivered next week. Mr. Brooks stated that in this case sheeting will be driven down the center of the towpath and that the work should be completed within approximately two weeks after it starts.

Mr. Brooks stated that the schematic designs to address the seepage at the Griggstown Waste Gate have been received and the

engineer is currently working on construction designs and permits for the project.

Mr. Brooks responded to a question by Mr. Hoffman regarding the date of the public hearing for the canal dredging project from Kingston Lock to Amwell Road. Mr. Brooks stated that the project was recently re-advertised for public comment because of the amount of time that has elapsed since the public hearing in 2013.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that everyone has a copy of his report. Mr. Klipstein provided an update on the Canal Aquatic Plant Management Program. Mr. Klipstein stated that Hydrilla has been found in the Manasquan Reservoir System as well as the Delaware and Raritan Canal. A plan is being developed to address the issue in the Manasquan Reservoir next season. Mr. Klipstein stated that there has been good success with the Fluridone dosing in the Canal. The Authority is conducting a monthly WebEx to share information with project partners.

Ms. Desko showed samples of Hydrilla to those present. Ms. Desko described the samples taken from the Manasquan Reservoir as relatively long, green, and vibrant. In contrast, the samples which were taken from the Canal where they have been affected by the herbicide, were described as stressed, short, brown, and brittle. Ms. Desko stated that other aquatic plants in the Canal have shown signs of stress and that water movement through the Canal was improved from last year.

NEW BUSINESS

Mr. McKeon provided background information on the resolution authorizing the award of a contract for the replacement of 40,000 pounds of granular activated carbon at the Manasquan Water Treatment Plant, Wall Township, Monmouth County. Mr. McKeon stated that the carbon media is typically changed approximately every four years. Three bids were received at the public bid opening. Calgon Carbon Corporation provided the low bid of \$44,908.00. This is a lower cost than the last Authority purchase of granular activated carbon. Mr. McKeon stated that the Authority has purchased from Calgon Corporation in the past and that they provide a quality product. Staff recommends that the Authority enter into a contract with Calgon Carbon Corporation for the replacement of 40,000 pounds of Granular Activated Carbon at the Manasquan Water Treatment Plant for a lump sum of \$44,908.00.

Mr. Havens moved the resolution authorizing the award of a contract for the replacement of 40,000 pounds of granular activated carbon at the Manasquan Water Treatment Plant. Ms. Blew seconded the motion. All Authority members approved of the resolution.

Mr. McKeon provided background information on the resolution authorizing the award of a construction contract required for the

filter underdrain replacement and filter media replacement of Filters #2 and #3 at the Manasquan Water Treatment Plant, Wall Township, Monmouth County. Mr. McKeon described the failure of the underdrain system on Filter #1 at the Manasquan Water Treatment plant last year. The system was replaced with a stainless steel system which has been working well. The underdrain systems were purchased for all three filters under the emergency construction contract with Allied Construction Group last year because of cost and consistency considerations. Mr. McKeon stated that Filter #2 has shown similar signs of potential failure. The Authority advertised for bids to remove and replace the underdrain systems for Filters #2 and #3. Mr. McKeon stated that the bids were somewhat higher than anticipated primarily because of the labor involved in the removal of the old systems. Mr. McKeon noted that the two filters would not be taken offline concurrently, but that one will be done in the Fall and the other in the Spring. Staff recommends that the Authority enter into a contract with Allied Construction Group, Inc. of Parlin, New Jersey for a lump sum amount totaling \$259,950.00.

Ms. Blew moved the resolution authorizing the award of a construction contract required for the filter underdrain replacement and filter media replacement of Filters #2 and #3 at the Manasquan Water Treatment Plant, Wall Township, Monmouth County. Mr. Iacullo seconded the motion. All Authority members approved of the resolution.

Mr. Brooks provided background information on the resolution ratifying the actions of the Executive Director in executing a contract and change order for emergency repairs to the seepage in and under the stone masonry retaining wall at Station 411+37 of the Delaware and Raritan Canal in West Amwell Township, Hunterdon County. Mr. Brooks stated that the Executive Director certified that this was an emergency condition and met the requirements as set out in Executive Order 37. Written approval was received from Acting Chair Kennedy and the three members of the Capital Projects Committee. Bids were requested from three contractors. The contract was awarded to Jennchem, LLC who provided the low bid of \$146,530.00. The Contractor mobilized on June 5 and discovered more large boulders and significantly larger subsurface voids than were indicated by two preliminary soil borings. Because of high costs for grout, the Authority requested and received a fee proposal for an alternate type of polyurethane grout which expands to fill a greater volume. Written approval was received from Acting Chair Kennedy and the Capital Projects Committee for a change order in the amount of \$44,403.39. The Executive Director executed the contract and the change order. Mr. Brooks stated that the seepage was stopped with the implementation of the polyurethane grout. Mr. Brooks stated that the resolution seeks ratification by the Board of the actions of the Executive Director in executing the contract with Jennchem, LLC, of Pittsburgh, Pennsylvania in the amount of \$146,530.00, and the Change Order in the amount of \$44,403.39, for a total amount of \$190,933.39.

Mr. Havens moved the resolution ratifying the actions of the Executive Director in executing a contract and change order for emergency repairs to the seepage in and under the stone masonry retaining wall at Station 411+37 of the Delaware and Raritan Canal in West Amwell Township, Hunterdon County. Mr. Picco seconded the motion. All Authority members approved of the resolution.

Mr. Brooks provided background information on the resolution ratifying the actions of the Executive Director in executing a construction contract required for the emergency repairs to the seepage in and under the earthen embankment at approximate Station 2334+67 of the Delaware and Raritan Canal in Franklin Township, Somerset County. Mr. Brooks stated that the Executive Director certified that this was an emergency condition and met the requirements as set out in Executive Order 37. Written approval was received from Acting Chair Kennedy and the three members of the Capital Projects Committee. Mr. Brooks stated that bid documents were submitted to four contractors and two bids were received. Mr. Brooks stated that the resolution seeks the ratification of the actions of the Executive Director in executing a contract with Sparwick Contracting, Inc. of Lafayette, New Jersey for a not to exceed cost of \$195,500.00. Mr. Brooks noted that the Authority has worked with this contractor on a prior occasion.

Mr. Mai moved the resolution ratifying the actions of the Executive Director in executing a construction contract required for the emergency repairs to the seepage in and under the earthen embankment at approximate Station 2334+67 of the Delaware and Raritan Canal in Franklin Township, Somerset County. Mr. Picco seconded the motion. All Authority members approved of the resolution.

Ms. Shelley provided background information on the resolution authorizing execution of an assignment agreement to purchase a fee simple interest in an 18+ acre critical watershed parcel in Raritan Township, Hunterdon County. Ms. Shelley distributed three images describing a property which is proposed for preservation. Ms. Shelley stated that a resolution of this type has not been presented to the Board in some time because the Source Water Protection Acquisition Program has been on hold, but that this situation is unique. Ms. Shelley discussed the source water benefits of the property, including high areas of ground water recharge and riparian areas. Ms. Shelley noted the stream crossing the property which is a tributary to the Wickecheoke Creek which is a feeder to the D&R Canal. Ms. Shelley stated that although the Authority has paused acquisition program, it continues to support project partners in preserving properties with soft costs such as appraisals, title work and surveys. The Authority has been involved in the payment of soft costs for this property over the last five years. Ms. Shelley described the project partners and funding agencies for the transaction which will restrict the permanent use of the property to assure for permanent preservation of its recreational and conservational resources. The New Jersey Conservation Foundation is the lead project partner in the transaction and has entered into a

contract for the sale of the property. Authority involvement for a one percent ownership interest in the property will allow for a partial taking of the property instead of a full municipal subdivision. The partial taking will exclude the residential portion from the sale that is not beneficial for conservation purposes. Under the advice of the Deputy Attorney General, the proposed resolution authorizes the Executive Director to execute an assignment agreement for the purchase of a one percent interest in the property with the option to immediately convey that interest after closing.

Ms. Blew moved the resolution authorizing execution of an assignment agreement to purchase a fee simple interest in an 18+ acre critical watershed parcel in Raritan Township, Hunterdon County. Dr. Hsueh seconded the motion. All Authority members approved of the resolution.

Ms. Gates provided background information on the resolution authorizing the Executive Director to negotiate and execute a contract with the Hamilton Farm Golf Club for renewal of uninterruptible service from the Raritan Basin System. Ms. Gates stated that there are no changes in the renewal of the contract with Hamilton Farm Golf Club for 0.138 million gallons per day. The renewal is for a period of ten years. A notice of public hearing was advertised and there were no responses or concerns raised, therefore the hearing was canceled. In response to a question from Mr. Mai, Ms. Gates stated that under the uninterruptible service agreement, the Authority provides the stipulated amount of water to the customer, but the customer is responsible for the delivery system and structures. The contract becomes null and void under force majeure.

Mr. Iacullo moved the resolution authorizing the Executive Director to negotiate and execute a contract with the Hamilton Farm Golf Club for renewal of uninterruptible service from the Raritan Basin System. Ms. Blew seconded the motion. All Authority members approved of the resolution.

Ms. Gates provided background information on the resolution ratifying and authorizing the renewal of a Risk Management Consulting Services Agreement. Ms. Gates discussed the remarketing of the Authority insurance program and the reprocurement of the risk manager. Ms. Gates stated that the proposed resolution ratifies the first renewal and authorizes the second renewal of the contract.

Mr. Mai moved the resolution ratifying and authorizing the renewal of a Risk Management Consulting Services Agreement. Ms. Blew seconded the motion. All Authority members approved of the resolution.

Ms. Gates provided background information on the resolution to amend the By-Laws of the New Jersey Water Supply Authority. Ms. Gates reviewed the proposed changes to the by-laws relative to the monetary threshold established by the Governor and the State Treasurer for advertised bids in accordance with N.J.S.A. 52:34-7 (b)

which is currently \$40,000 but may be adjusted every fifth year by the Governor or State Treasurer based on inflation. An additional minor change was made to comport with an executive order currently complied with by the Authority, replacing the approvals for emergencies with the Capital Projects Committee.

Mr. Picco moved the resolution to amend the By-Laws of the New Jersey Water Supply Authority. Dr. Hseuh 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

Deputy Attorney Jung Kim read the statement to go into Executive Session. Mr. Iacullo moved the motion to go into Executive Session which Mr. Picco seconded. All Authority members approved the motion.

RETURN TO PUBLIC SESSION

Mr. Havens moved the motion that the meeting be placed back into public session. Ms. Blew seconded this motion. All Authority members approved the motion.

Mr. Picco moved to adjourn the meeting. Mr. Iacullo seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:55 P.M.

I hereby certify this to be a true and original copy of the August 7, 2017 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman

Michelle Rollman
Executive Secretary II



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Minutes of the Executive Session
New Jersey Water Supply Authority
August 7, 2017

There was a need for an Executive Session to discuss contract matters with Wyeth Holdings LLC for the beneficial reuse of Delaware and Raritan Canal Dredge Material. Deputy Attorney Jung Kim read the statement to go into Executive Session. Mr. Iacullo moved the motion to go into Executive Session which Mr. Picco seconded. All Authority members approved the motion.

Ms. Gates provided an update regarding project timing issues affected by Department of Environmental Protection requirements and subject to Environmental Protection Agency approvals. The Board discussed these issues and Ms. Gates agreed to keep the Board apprised of developments.

Mr. Havens moved to go back into the regular Board Meeting. Ms. Blew seconded the motion. All Authority members approved the motion.

I hereby certify this to be a true and original copy of the August 7, 2017 New Jersey Water Supply Authority Executive Session Meeting minutes.

Michelle Rollman

Michelle Rollman
Executive Secretary II