



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the New Jersey Water Supply Authority

May 1, 2017

A regular meeting of the New Jersey Water Supply Authority was convened on May 1, 2017 at 2:00 P.M. in the Conference Room of the New Jersey Water Supply Authority's Administration Building located at 1851 Highway 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.

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

Absent: Steven Picco

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Oleg Kostin, New Jersey American Water
David Brogle, Middlesex Water Company
Charles Engler, Friends of Spruce Run
Robert Barth, D&R Canal Watch
David Shope, Resident

Authority Staff Present:

Beth Gates, Executive Director
Michelle Rollman, Executive Secretary II
Marc Brooks, Chief Engineer
Susan Buckley, Controller
Paul McKeon, Director Manasquan Reservoir and D&R Canal Systems
Kenneth Klipstein, Director Watershed Protection Programs
Alexander Michalchuk, Sr. Project Engineer
Jung Kim, Deputy Attorney General
Mary Maples, Associate Counsel, Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Hoffman opened the meeting by asking for the approval of the minutes of the April 3, 2017 meeting. Mr. Havens moved for the approval of the minutes as prepared and this motion was seconded by Dr. Hsueh. The minutes of the April 3, 2017 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

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

Ms. Gates reminded all Commissioners that the annual financial disclosure statements, required by Executive Order No. 10 must be filed before May 15, 2017.

Ms. Gates stated that Hydrilla management work is continuing and that Ken Klipstein will provide an update during his report.

COMMUNICATIONS/CORRESPONDENCE

Board packets included the State of New Jersey Department of Environmental Protection Administrative Order No. 2017-05, issued on April 12, 2017, lifting the drought warning in all New Jersey counties except Hunterdon and Somerset.

UNFINISHED BUSINESS

Mr. McKeon provided a report on the Water Treatment Plant and the Manasquan Reservoir System. Mr. McKeon noted that everything is running smoothly. Mr. McKeon stated that there has been considerable rainfall in the Manasquan system and that the reservoir is full. The divider wall has been employed to allow the Water Treatment Plant to treat reservoir water rather than river water.

Mr. McKeon stated that the filter underdrain project is progressing well. Mr. McKeon anticipates that the filter will be back online in mid-May. Mr. McKeon stated that contracts for the remaining two filters will be procured soon and that it is anticipated that work will begin in the winter.

Mr. Brooks reported on the Raritan Basin System. Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks stated that rainfall in the Raritan Basin has not been as significant as that in the Manasquan system. Spruce Run Reservoir has risen approximately four feet in the last month. Mr. Brooks stated that Spruce Run Reservoir is 7.5 feet below full capacity at 8.1 billion gallons which is 73.6 percent of capacity. Mr. Brooks stated that staff has pumped approximately 3.3 billion gallons to the Round Valley Reservoir since the Authority commenced pumping on December 15, 2016. Round Valley Reservoir is nineteen feet below full capacity at 40.4 billion gallons which is 73.5 percent of capacity. The combined capacity is 73.5 percent. The average for this time of year is 95 percent.

Mr. Brooks stated that the drought warning was lifted by the New Jersey Department of Environmental Protection for all of New Jersey with the exceptions of Hunterdon and Somerset Counties. The minimum passing flows therefore remain at reduced levels for the Raritan River.

Mr. Brooks stated that staff continues to monitor the three seepage locations on the Canal. Mr. Brooks stated that the water level was lowered in the stretch of the Canal near West Amwell which has reduced the seepage in that location. Mr. Brooks anticipates that this level can be maintained approximately until June. Four contractors submitted bids based on the designs provided by the engineers who recommended chemical grouting. A resolution approving the actions of the Executive Director in awarding a contract to the low bidder for this project will be presented at the next Board meeting.

Mr. Brooks discussed the area of seepage near Blackwells Mills Causeway in Franklin Township. Mr. Brooks described interim measures taken at this location including the installation of clay on the Canal-side slope and sand filters on the river-side toe of the slope. The engineers conducted soil borings and provided a draft schematic design report. An additional leak was discovered in the area which will be addressed through the same contract. A resolution ratifying the actions of the Executive Director awarding a contract for emergency procurement for professional engineering services to address this seepage will be presented during New Business.

Mr. Brooks stated that the Authority is waiting for a schematic design report from the consultant for the seepage at the Griggstown waste gate.

Mr. Brooks discussed the Round Valley Dam Rehabilitation project. The consultant performed surveys and is working to complete the schematic designs.

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 Weed Management Program. Mr. Klipstein anticipates receipt of the draft management plan from the consultant within the next few days and that implementation of the management plan will commence by mid to late May. Authority staff attended a Canal Commission meeting on April 19, 2017. A meeting of Canal water customers was also convened. Mr. Klipstein stated that the Authority is working with the New Jersey Department of Environmental Protection ("NJ DEP") to develop a municipal outreach plan. Mr. Havens asked how many municipalities will be affected by the implementation to which Mr. Klipstein responded that sixteen municipalities in four counties will be impacted in varying degrees. Mr. Klipstein stated that in cooperation with the NJ DEP, tests and outreach are being conducted in order to ensure that any residual chemical applications can be treated for the protection of water consumers and property.

NEW BUSINESS

Paul McKeon provided the background information on the Resolution authorizing the Executive Director to enter into a contract agreement for the purchase and installation of a 1250 KVA, Three-Phase, Pad-Mounted Transformer at the Manasquan Water Treatment Plant, Allenwood, Monmouth County. Mr. McKeon stated that funds are available through the Capital Budget Asset Plan for the replacement of the main power transformer at the Water Treatment Plant with a larger unit. In response to an Authority advertisement, four bids were received. The low bid from Valiant Power Group, LLC was found to be in compliance with the requirements of the technical specifications.

Mr. Havens moved the Resolution authorizing the Executive Director to enter into a contract agreement with Valiant Power Group, LLC of Branchburg, New Jersey, for the purchase and installation of a 1250 KVA, Three-Phase, Pad-Mounted Transformer at the Manasquan Water Treatment Plant, Allenwood, Monmouth County, for a unit cost of \$45,685.00. Ms. Blew seconded this motion. All Authority members approved the Resolution.

Marc Brooks provided the background information on the Resolution authorizing the Executive Director to enter into a contract agreement for underwater replacement of sluice gates and installation of motorized gate operators at the Ten-Mile waste gate structure at Station 2590+42 of the Delaware and Raritan Canal, Franklin Township, Somerset County. Mr. Brooks described the location and condition of the sluice gates, one of which is inoperable and the other of which is difficult to operate. The gates are critical to the operations of the Raritan system. Plans were developed by staff engineers for the complete replacement of the gates and installation of an electrical operator. Mr. Brooks anticipates that the work will be completed by divers during the fall season when the gates are not in use. In response to Authority

advertisements, five bids were received. The low bid of \$144,000.00 from Independence Constructors, Inc. of Bridgewater, New Jersey was found to be legally and technically responsive.

Ms. Blew moved the Resolution authorizing the Executive Director to enter into a contract agreement with Independence Constructors, Inc. of Bridgewater, New Jersey for underwater replacement of sluice gates and installation of motorized gate operators at the Ten-Mile waste gate structure at Station 2590+42 of the Delaware and Raritan Canal, Franklin Township, Somerset County for a lump sum and a unit price cost not to exceed amount of \$144,000.00. Mr. Mai seconded this motion. All Authority members approved the Resolution.

Marc Brooks provided the background information on the Resolution ratifying the actions of the Executive Director awarding a contract for emergency procurement for professional engineering services for 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 described the location and circumstances under which the seepage was discovered and assessed. The seepage at this location emanates from the river side toe of the embankment along a stretch of approximately 100 feet. The flow was estimated to be more than ten gallons per minute in one primary area. In consultation with engineers from Mott MacDonald, Mr. Brooks determined that the seepage was not an immediate emergency, but that it should be addressed with expedience. The Executive Director certified that this was an emergency condition that met the requirements of Executive Order 37. Staff requested a fee proposal for schematic design, full design and construction management services. Mott MacDonald provided the proposal which was determined to be fair and responsive. With the approval of Acting Chair Kennedy and the Capital Projects Committee a contract with Mott MacDonald was executed on April 11, 017.

Mr. Havens moved the Resolution ratifying the actions of the Executive Director in executing a contract with Mott MacDonald for a lump sum and reimbursable cost not to exceed amount of \$53,700.00 for professional engineering services for 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. Dr. Hsueh seconded this motion. All Authority members approved the Resolution.

Beth Gates provided the background information on the Resolution authorizing the Executive Director to negotiate and execute a contract with the Springdale Golf Club for renewal of uninterruptible service from the Raritan Basin System. Concurrently, Ms. Gates provided the background information on the Resolution authorizing the Executive Director to negotiate and execute a contract with the Morris County Municipal Utilities Authority for uninterruptible service from the Raritan Basin System. Ms. Gates stated that both

Springdale Golf Club and the Morris County Municipal Utilities Authority ("MUA") requested contract renewals of ten years, concurrent with their water allocation permits. Both contracts are requested with no changes. The Springdale Golf Club contract is for 0.098 million gallons per day ("MGD") and the Morris County MUA contract is for 0.079 MGD. Ms. Gates stated that both are consumptive portions. The contracts were advertised and no objections were raised, therefore in accordance with N.J.S.A. 13:13-12.9, the public hearings were canceled.

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

Ms. Blew moved the Resolution authorizing the Executive Director to negotiate and execute a contract with the Morris County Municipal Utilities Authority for uninterruptible service from the Raritan Basin System. Mr. Iacullo seconded this 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 Committee - no report

PUBLIC COMMENT

Charles Engler, representing the Friends of Spruce Run, asked if additional water could be drawn through the Canal from the Delaware River in order to help maintain water levels at the Spruce Run and Round Valley Reservoirs. Mr. Hoffman and Mr. Brooks responded that according to a 1954 Supreme Court decree, the Authority is permitted to transfer 100 million gallons per day through the Canal. An increase to the permitted gallons per day would require the unanimous approval of all of the signatories to the 1954 decree or a new Supreme Court decree.

David Shope requested specific information regarding the Source Water Protection rate component and the percentage that is being

allocated to aquatic invasive species management versus land acquisition. Ms. Gates responded that the Authority is allocating approximately \$1.5 million to address the issue of Hydrilla in the Canal out of an approximate \$3.6 million in available resources. The rate charge of \$24 per million gallons is authorized within the Authority's rules and adopted by the Board. Through past resolution, \$4.50 of the rate is allocated to Watershed Protection and \$19.50 is allocated to debt service on previously acquired land, soft costs to assist project partners and to staff support for property administration. Ms. Gates offered to confirm these numbers and provide them to Mr. Shope after the meeting. Mr. Shope requested that similar data be provided for the past several years.

EXECUTIVE SESSION

There was no need for an Executive Session.

Mr. Havens moved to adjourn the meeting. Mr. Mai seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:27 P.M.

I hereby certify this to be a true and original copy of the May 1, 2017 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman

Michelle Rollman
Executive Secretary II