



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the
New Jersey Water Supply Authority
April 5, 2021

A regular meeting of the New Jersey Water Supply Authority was convened on April 5, 2021 at 2:05 P.M. via teleconference.

As designated by Shawn M. LaTourette, Acting 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 John Kuehne read the statement required by the "Open Public Meetings Act". Executive Director Marc Brooks took the roll call of the Authority members.

Present: Jeffrey Hoffman, Acting Chair
Susan Blew
Ellsworth Havens
Steven J. Picco

Absent: Robert Iacullo

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Oleg Kostin, New Jersey American Water
Robert Barth, D&R Canal Watch
Angelo Lovisa, Hunterdon Sailing Club
David Brogle, Middlesex Water
David Shope, Resident

Authority Staff Present:

Marc Brooks, Executive Director
Susan Buckley, Director Finance and Administration
Darin Shaffer, Chief Engineer
Paul McKeon, Director Manasquan Water Supply System/D&R Canal
Kenneth Klipstein, Director Watershed Protection Programs
Rita Shaw, Controller
Dorota Neulinger, Principal Accountant
Anthony Colasurdo, Project Engineer II
Kathy Hale, Principal Watershed Protection Specialist

Heather Desko, Senior Watershed Protection Specialist
Michelle Rollman, Finance & Accounting Analyst
John Kuehne, Deputy Attorney General
Rudy Rodas, Governor's Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Jeffrey Hoffman opened the meeting by asking for the approval of the minutes of the February 1, 2021 meeting. Mr. Picco moved for the approval of the minutes as prepared and this motion was seconded by Ms. Blew. The minutes of the February 1, 2021 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks provided an update on COVID-19 at the Authority. Mr. Brooks stated that the Authority is still experiencing absences due to COVID-19 in the form of a few positive cases but more commonly the absences are due to quarantine as a result of close contacts, mostly outside of work. COVID-19 is not causing any significant impediments to Authority operations at this time.

Mr. Brooks stated that rainfall recorded at the Spruce Run gage for February was 2.72 inches which was 0.06 inches above average. Total rainfall for March at Spruce Run was 3.76 inches which was 0.07 inches above average. Rainfall recorded at Manasquan for February was 5.42 inches which was 2.42 inches above average. Rainfall in March was 5.55 inches or 0.85 inches above average.

COMMUNICATION/CORRESPONDENCE

Mr. Brooks stated that there were no items of communication 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 everyone has a copy of his reports. Mr. McKeon stated that everything has been going well in the Manasquan system. Mr. McKeon stated that the Manasquan Reservoir is full and that recent algae levels in both the reservoir and the river have been good. Mr. McKeon noted that he had nothing additional to report and offered to answer any questions.

Mr. Shaffer reported on the Raritan Basin System. Mr. Shaffer stated that everyone has a copy of his report. Mr. Shaffer stated that as of this date, Spruce Run Reservoir was at elevation 273.11 feet which is 100.5 percent of capacity. Round Valley is drawn down

for the rehabilitation project and will remain at or below elevation 360.8 for the project duration. As of this date, it is at elevation 360.34 feet or 66.3 percent of capacity. The combined reservoir capacity is at 72 percent while it is typically 92.7 percent for this date.

Mr. Shaffer stated that Canal operations are normal for this time of year. Maintenance activities continue to be prioritized and coordinated each day. Using staggered start times, staff continues to operate at normal capacity while maintaining social distancing.

Mr. Shaffer reported on the Canal Dredging Project. Dredging operations were completed in December and most of the dredged material has been transported to the beneficial reuse site. A total of approximately 182,000 cubic yards of sediment, which is about 20 percent less than the bid quantity, were removed from the canal over the three seasons of dredging. Final site restoration is underway and expected to be completed this summer.

Mr. Shaffer reported on the Round Valley Reservoir Dams- Rehabilitation and Resource Preservation Project. Mr. Shaffer stated that as a result of an early snowstorm in mid-December, followed by the holidays and a winter shutdown, no substantial earthwork has occurred on the Dike between December 16 and today. The contractor resumed major earthwork activities at the Dike today and is expected to continue that work until the Dike is complete this summer. Sand and stone deliveries and some sediment basin construction continue at the South Dam. Ancillary work on the towers and vaults had shut down for the winter, but is resuming today with roofing work on the North Dam vault. Mr. Shaffer noted that County Rt. 629 remains closed to all traffic and the public within the project area.

Mr. Shaffer stated that the Authority has reached a tentative verbal agreement with the contractor that will impact the schedule and have some financial contractual considerations. A meeting with the Capital Projects Committee has been scheduled to review this draft Change Order before seeking full Board approval.

Mr. Shaffer discussed the Island Farm Weir Embankment Rehabilitation Project. Work to repair and armor the right abutment of the Island Farm Weir is mostly complete. The contractor recently returned to the site to seed disturbed areas and complete the restoration of the site. Mr. Shaffer anticipates that all project work will be completed in April.

Mr. Shaffer stated that the Authority's engineering consultant recently finalized plans and specifications for the reconstruction of the Landing Lane Spillway on the D&R Canal in New Brunswick. The construction project is currently being advertised with the anticipation that the work will begin this fall.

Mr. Shaffer stated that a discussion of several change orders was provided in his written report and offered to answer any questions.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that everyone has a copy of his report. Mr. Klipstein stated that work on the Mulhockaway Biochar project is scheduled to commence upon receipt of anticipated approvals from the Department of Environmental Protection. In response to a question from Mr. Hoffman, Mr. Klipstein stated that, based on NJDEP recommendations, the permit was changed from a Freshwater Wetlands Permit to a Highlands Preservation Area Permit and that he does not anticipate any additional delays in the approval process. Mr. Klipstein offered to answer any questions.

NEW BUSINESS

Ms. Shaw provided background information on the Authority's financial performance for the six months ending December 31, 2020. Ms. Shaw stated that copies of the financial statements were distributed to all interested parties and are available on the Authority website as required by bond resolution. Ms. Shaw stated that the financial statements for the six months show favorable results of operations and a change in net position of \$5.2 million compared to a change in net position of \$5.3 million for the same period last year. Ms. Shaw noted that Operating Revenue for the first half of fiscal year 2021 totaled \$16.5 million and is on target at 51 percent of the budget for the year. Operating expenses for the six months are \$11 million and are 45 percent of the budget for the period. Operating expenses are under budget due to salary and fringe associated with open positions. Ms. Shaw stated that a 77.3 percent decrease in non-operating revenue compared to this period last year is largely due to a change in the fair market value of the Authority's long term investments and a reduction in interest income, reflecting the drop in interest rates over the period.

Ms. Shaw offered to answer any questions and stated that no Board action was required.

Ms. Buckley provided the background information on the resolution ratifying the Executive Director's placement of the Authority's March 1, 2021 - March 1, 2022 Insurance Program. Ms. Buckley stated that the total premium for the renewal will be \$1.629 million, which is 1.6 percent above the approved budget and a 0.3 percent above last year's premium. Ms. Buckley stated that, consistent with the resolution passed at the November 2020 meeting, the Insurance Committee Chairman was briefed and approved the placement in exceedance of the budget. Ms. Buckley noted that the primary focus of this year's placement was in the property and

casualty lines, which experienced industry-wide rate increases associated with storms, natural disasters, and increases in large liability claims. These rate increases were offset by a reduction in the Authority's insurable base negotiated by the Authority and its representatives.

Ms. Blew moved the resolution ratifying the Executive Director's placement of the Authority's March 1, 2021 - March 1, 2022 Insurance Program. Mr. Picco seconded this motion. All Authority members approved of this resolution.

Ms. Buckley provided the background information on the resolution authorizing the Executive Director to negotiate and execute a contract with Stonebridge Community Association, Inc. for renewal of uninterruptible service from the Raritan Basin System. Ms. Buckley stated that this is a standard contract renewal for Stonebridge Community Association in Monroe, New Jersey. Stonebridge has a 0.09 mgd contract with the Authority for landscape irrigation supply purposes. The applicant has requested a ten year renewal of the contract, beginning April 1, 2021 and the Authority has confirmed that the DEP will renew the Water Allocation Permit with no changes in terms and conditions. The public hearing was waived after no responses or objections were received from any party.

Mr. Picco moved the resolution to approve the contract renewal application of Stonebridge Community Association, Inc., subject to the standard conditions and limitations. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Klipstein provided the background information on the resolution authorizing the Executive Director to execute an agreement with the New Jersey Department of Environmental Protection for the project "Watershed Restoration and Protection Plan for Spruce Run Reservoir and Mulhockaway Creek." Mr. Klipstein stated that the Authority submitted two proposals in February 2020, one for a "Watershed Restoration and Protection Plan for Spruce Run Reservoir" and one for a "Watershed Restoration and Protection Plan for the Mulhockaway Creek Watershed." In August 2020, the Authority was notified that the Spruce Run Reservoir proposal had been funded, but the Mulhockaway Creek Proposal was not. Mr. Klipstein noted that the Authority decided to proceed with the Mulhockaway Watershed Restoration and protection Plan, utilizing Source Water Protection funding and staff resources. The NJDEP agreed with the Authority that developing the two plans as one document was a logical step, and approved a revised proposal and budget. Mr. Klipstein discussed the project partners and their respective contributions to a total project budget of \$342,700.

Mr. Havens moved the resolution to authorize the Executive Director to execute a contract agreement with the New Jersey Department of Environmental Protection for the Authority's participation in the project, "Watershed Restoration and Protection Plan for Spruce Run Reservoir and Mulhockaway Creek." Mr. Picco seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Klipstein provided the background information on the resolution authorizing the Executive Director to execute an agreement with the United States Department of Agriculture-Natural Resources Conservation Service ("USDA-NRCS") for the project "Watershed Restoration and Protection Plan for Spruce Run Reservoir and Mulhockaway Creek." Mr. Klipstein noted that the Authority has worked with the USDA-NRCS to include the Mulhockaway and Spruce Run in the National Water Quality Initiative Program. Mr. Klipstein stated that the USDA-NRCS will provide \$25,000 in funding toward the development of the "Watershed Restoration and Protection Plan for the Spruce Run and Mulhockaway Creek Watershed." The USDA-NRCS funding will complement \$80,000 in NJDEP watershed restoration funding, \$224,500 of in-kind funding from the Authority and \$13,200 of in-kind funding from watershed stakeholders.

Mr. Havens moved the resolution to authorize the Executive Director to execute a contribution agreement with the United States Department of Agriculture-Natural Resources Conservation Service for the project, "Watershed Restoration and Protection Plan for Spruce Run Reservoir and Mulhockaway Creek." Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Klipstein provided the background information on the resolution authorizing the Executive Director to amend the contract agreement with Montclair State University for additional analytical services in the amount of \$55,080 for services related to the US Geological Survey Matching Grant Funded Project "Downstream Fate and Transport of Cyanobacteria and Cyanotoxins in the Raritan River Basin, New Jersey." Mr. Klipstein stated that under the original grant agreement, this \$55,080 for analytical services for phytoplankton identification and enumeration was allocated directly to the US Geological Survey, New Jersey Water Science Center through a Joint Funding Agreement between USGS and the Authority. The Joint Funding Agreement between the Authority and USGS New Jersey Water Science Center is being revised to reflect an equivalent \$55,080 reduction. This amendment will result in no additional cost to the Authority above the amount that is already allocated to the overall grant project.

Ms. Blew moved the resolution to authorize the Executive Director to amend the contract agreement with Montclair State University to perform additional analytical services related to the

US Geological Survey Matching Grant Funded Project, "Downstream Fate and Transport of Cyanobacteria and Cyanotoxins in the Raritan River Basin, New Jersey" for an increase of \$55,080, for a total contract amount not to exceed \$200,080. Mr. Picco seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Shaffer provided the background information on the resolution authorizing the Executive Director to enter into a purchase order agreement for the purchase of one new 2021 or newer tandem dump truck for the Raritan Basin System. Mr. Shaffer stated that the approved Fiscal Year 2020 Capital Equipment budget for the Raritan Basin System included \$190,000.00 for the purchase of a tandem dump truck to primarily support Canal operations. Mr. Shaffer described the bid process and stated that five bids were received ranging from approximately \$148K to \$173K. Staff reviewed the bids for content, adherence to the bid documents, and completeness. The two lowest bids were determined to be non-responsive because they did not include various substantive components and/or the proposed warranty did not meet the specification. The missing components were deemed important to the Authority's planned use of the truck. Authority staff reviewed the bid of the third lowest bidder, Bergey's Truck Center, and found it to be in compliance with the specifications.

Ms. Blew moved the resolution to authorize the Executive Director to issue a purchase order to Bergey's Truck Center, of Trenton, New Jersey for the purchase of one new 2021 or newer Tandem Dump Truck for a lump sum cost of \$156,420.00. Mr. Picco seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. McKeon provided the 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. Mr. McKeon stated that the Authority periodically needs to replace the granular activated carbon in two of the six contact vessels at the Manasquan water treatment plant. Granular activated carbon is used to remove organic carbon compounds, including taste and odor compounds and other compounds in trace amounts that have been detected. Carbon fractures and becomes spent after several years. Mr. McKeon noted that this is a routine purchase that has been planned for, budgeted and approved by the SMMUA Board as an operating expense. Two bid packages were received after public advertising; however, one bid was received after the time set for receipt of bids. The low bid of \$58,850, from Nichem Company, was in line with the budget. Nichem has provided replacement carbon several times during the last ten years.

Mr. Havens moved the Resolution Authorizing the Executive Director to enter into a contract with Nichem Company of Newark, New

Jersey to furnish all labor, equipment and materials necessary for granular activated carbon replacement at the Manasquan Water Treatment Plant, Wall Township, Monmouth County, New Jersey for a lump sum of \$58,850.00. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Shaffer provided the background information on the resolution authorizing the award of a contract for professional engineering services for the D&R Canal Water Quality Improvement Project via Cedar Grove Brook Overflow Weir Structural Improvements in Franklin Township, Somerset County, RFP WSA-R21002. Mr. Shaffer stated that previous studies determined that the Cedar Grove Brook is a significant contributor of sediment laden water into the Canal, especially during and after significant precipitation events. The Cedar Grove Brook Weir is located just upstream of the Canal and the studies also concluded that raising the height of the weir crest and decreasing the width of the weir notch could substantially reduce sediment loading into the Canal.

The Authority solicited proposals to retain an engineering consultant to assess the feasibility of improving the water quality of the Canal by modifying the Cedar Grove Brook overflow weir structure. The Request for Proposals specified that the contract would cover preparation of a feasibility study, and if approved by the Authority, preparation of a schematic design report. Four Technical Proposals were received and ranked by Authority staff. With approval of the Chair of the Capital Projects Committee, the three top ranked firms were asked to submit fee proposals. The top ranked firm, Mott MacDonald, provided the lowest cost fee proposal. Mr. Shaffer noted that \$200,000 in Delaware & Raritan Canal Commission mitigation funding is set aside and available to be used specifically for the feasibility study and preliminary engineering.

In response to a question from Mr. Picco, Mr. Shaffer stated that the Authority will be responsible for the weir maintenance. The weir is currently owned by the County of Somerset which has agreed to turn it over to the Authority if the project proceeds. In response to an additional question from Mr. Picco, Mr. Brooks stated that part of the schematic design would likely include the creation of an area upstream of the weir to facilitate easy removal of accumulated sediment.

Mr. Havens moved the resolution authorizing the Executive Director to enter into a contract with Mott MacDonald from Morristown, New Jersey for professional engineering services necessary for Water quality Improvement via Cedar Grove Brook Overflow Weir structural improvements in Franklin Township, Somerset County for a lump sum amount of \$157,000.00. Mr. Picco seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. McKeon provided the background information on the resolution authorizing the award of a contract for Professional Engineering Services for Instrumentation Improvements at the Manasquan Reservoir Dam, Howell Township, Monmouth County, RFP WSA-R21010. Mr. McKeon stated that the Authority has been monitoring the embankment dam at the Manasquan Reservoir for over 30 years using various electrical instruments embedded in the embankment which provide data to a central computer and display continuous water level trends and pressures. Originally there were 44 such devices placed strategically throughout the dam and dike. Some of the devices are buried such that they cannot be retrieved and replaced. Eight of these devices have failed in recent years and five have been determined to have completed their purpose. Mr. McKeon stated that it is recommended that these devices be decommissioned with their well bores filled and sealed. Mr. McKeon stated that two technical proposals were received in response to a request for proposals from qualified engineers to locate, size and determine the depth to which wells should be drilled to replace the failed water level monitoring instruments. Both engineering consultants were determined to be qualified to perform this work and fee proposals were requested and received. After adjusting for inconsistencies in the fee proposals, it was determined that the firm that ranked highest in the qualification ranking process, was also the low bidder. Mr. Hoffman noted that the drilling process will require an authorized well driller with an appropriate license.

Ms. Blew moved the resolution authorizing the Executive Director to enter into a contract with GZA GeoEnvironmental, Inc. of Fairfield, New Jersey for professional engineering services necessary to design the monitoring instrumentation improvements to the Manasquan Dam in Howell Township, Monmouth County for a lump sum amount of \$87,400.00. Mr. Picco seconded the motion for the Resolution. 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. Shope introduced himself as the owner of land in the Raritan watershed. Mr. Shope questioned the use of Source Water Protection funds for purposes other than the purchase of land and asked when the

the Authority last purchased such property. Mr. Shope will receive a response to this inquiry.

Mr. Shope also asked what the Authority has learned so far from the Fate and Transport study of Cyanobacteria and Cyanotoxins in the Raritan River. Mr. Shope specifically wished to know if the toxins are changed during transport. Mr. Klipstein stated that the study has not been completed, but will be peer reviewed and published. Ms. Desko discussed specifics of the study and noted that data will continue to be collected through August of 2021. It is anticipated that the study presentation will be available on the Authority website following completion in September of 2022. Mr. Hoffman noted that information on Harmful Algal Blooms is provided on the NJDEP website.

Mr. Lovisa introduced himself as a member of the Hunterdon Sailing Club. Mr. Lovisa thanked Mr. Klipstein for information already provided and asked when the Authority anticipates that the Round Valley Reservoir will be refilled. Mr. Brooks stated that project work is anticipated to continue through at least the end of 2022. The process of refilling will commence on project completion and the time it will take to refill will depend on the quantity of rainfall.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Ms. Blew moved to adjourn the meeting. Mr. Havens seconded the motion. All Authority members approved the motion. The meeting was adjourned at 2:46 P.M.

I hereby certify this to be a true and original copy of the April 5, 2021 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman

Michelle Rollman
Finance & Accounting Analyst