



## NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the  
New Jersey Water Supply Authority  
February 3, 2020

A regular meeting of the New Jersey Water Supply Authority was convened on February 3, 2020 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 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 Kathrine Hunt 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 - by phone  
Ellsworth Havens  
Steven J. Picco

Absent: Shing-Fu Hsueh  
Robert Iacullo

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Oleg Kostin, New Jersey American Water  
Dave Shope, Resident  
Robert Barth, D&R Canal Watch  
Gordon Sell, Hunterdon Sailing Club

Authority Staff Present:

Marc Brooks, Executive Director  
Susan Buckley, Director Finance and Administration  
Paul McKeon, Director Manasquan Water Supply System/D&R Canal  
Kenneth Klipstein, Director Watershed Protection Programs  
Rita Shaw, Controller  
Darin Shaffer, Senior Project Engineer  
Michelle Rollman, Finance & Accounting Analyst

Kathrine Hunt, Deputy Attorney General  
Lauren LaRusso, Governor's Authorities Unit - by phone

#### APPROVAL OF THE MINUTES

Acting Chair Jeffrey Hoffman opened the meeting by asking for the approval of the minutes of the December 16, 2019 meeting. Ms. Blew moved for the approval of the minutes as prepared and this motion was seconded by Mr. Picco. The minutes of the December 16, 2019 meeting were approved by the Board.

#### EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks stated that rainfall in December at Spruce Run was above average, at 4.95 inches. Total rainfall for the year at Spruce Run was 53.74 inches, compared to average of 41.20 inches. Rainfall in the Manasquan system was also above average, at 7.07 inches. Total rainfall for the year in Manasquan was approximately 51.5 compared to an average of approximately 46 inches.

#### COMMUNICATION/CORRESPONDENCE

Mr. Brooks noted that the Authority Finance staff was recognized again by the Government Finance Officers Association with the award of the Certificate of Achievement for Excellence in Financial Reporting.

#### 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 and as usual in the Manasquan system. Mr. McKeon stated that he had nothing additional to report and offered to answer any questions.

Mr. Brooks reported on the Raritan Basin System. Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks stated that Spruce Run Reservoir is at elevation 271.3 feet which is 93.5 percent of capacity. Round Valley is at elevation 360.5 which is 66.5 percent of capacity. The drawdown of the pool at Round Valley for the rehabilitation project is complete and the pool will remain at or below elevation 360 for the project duration. The combined reservoir capacity is at 71.0 percent while it is typically 89.8 percent for this date.

Mr. Brooks stated that canal operations are normal for this time of year. Mr. Brooks noted that Williams-Transco has completed a design for a more permanent repair for the seep identified at the

location of their high-pressure gas line crossing and it is getting close to having it fully permitted. Work on this repair is expected to begin in late February or March.

Mr. Brooks reported on the Canal Capital Dredging Project. Mr. Brooks stated that all dredging in the Canal is complete for the second year of the projected three-year project. The contractor is now trucking material from the staging area to the beneficial reuse site in Bridgewater.

Mr. Brooks reported on the Round Valley Reservoir Dams-Rehabilitation and Resource Preservation Project. Mr. Brooks stated that the Round Valley Grouting project is expected to be complete within the next two to three weeks. Dredging in the channel is ongoing. The Notice to Proceed for the contractor on the embankment rehabilitation was issued on Wednesday of last week and a productive kickoff meeting was held on the same day. There were over 30 people in attendance including the engineer of record, the contractor, subcontractors, regulators, and Authority staff.

Mr. Brooks noted that there were four change orders included in his 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 discussed a change order for an agricultural mini-grant contract. The change order was approved by the Chair of the Capital Projects Committee. Mr. Klipstein stated that the actual costs of the practices prescribed by the Natural Resource Conservation Service ("NRCS"), and installed by the farmer, significantly exceeded the original estimates provided by the NRCS. The contract was amended by an additional \$14,719.99, bringing the total reimbursement under the contract to \$15,190.95. The conservation practices were implemented and verified.

Mr. Klipstein reported on the Governor's harmful algal bloom initiative. Mr. Klipstein discussed the types and amounts of State funding available to address harmful algal blooms. Mr. Klipstein stated that the Authority has applied for a grant in the innovative category for Bio-Char technology. Some matching funds will be required of the Authority if the application is successful. Mr. Klipstein stated that the Authority will also apply for two watershed planning grants for the Mulhockaway and Spruce Run.

Mr. Klipstein stated that the Authority has been working with the Department of Environmental Protection to complete new bathymetric surveys to map the contours of the bottom of Spruce Run Reservoir. Mr. Klipstein noted that the current bathymetry is quite old and that the new surveys will be helpful in watershed planning.

## NEW BUSINESS

Ms. Buckley gave the background information on the resolution authorizing the placement of builder's risk insurance coverage for the Round Valley Embankment Rehabilitation Project. Ms. Buckley noted that an amended copy of the memo and resolution was provided which allows for a policy premium in excess of \$2,000,000 to be approved by a majority of the Authority Insurance Committee. Ms. Buckley stated that the Authority's current property insurance policy does not cover construction projects over \$15 million. The dam rehabilitation construction contract is \$65 million. Builder's risk is a specialized insurance policy designed for projects under construction. The Authority's incumbent property underwriter had declined to offer this line of insurance during the 2019 insurance renewal. There may be interest on the part of a number of other underwriters to provide a builder's risk policy and we expect quotes within the next week or two. It is estimated that the policy premium could be approximately \$2 million, which covers the duration of the project through final completion (March 1, 2020 - Aug 31, 2022).

Mr. Havens moved the resolution to authorize the Executive Director to obtain quotations and secure placement of Builder's risk insurance coverage for the period of March 1, 2020 to August 31, 2022. Mr. Picco seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. McKeon gave the background information on the resolution authorizing the Executive Director to enter into purchase order agreement WSA Q20027W for the purchase of an alternate bowl assembly for the re-bowling of one (1) Goulds Vit-ff36 X 42 LHC Single Stage Vertical Turbine Pump at the Manasquan Water Supply System, Allenwood, NJ. Mr. McKeon described the function and history of the Manasquan River intake pumps. Mr. McKeon noted that a contract for the work to connect and reinstall the assembly will be procured separately. Mr. McKeon described the bid process and noted that the low bid was found to be noncompliant with the requirements of the technical specifications. The second lowest bid was found to be in compliance and staff recommends the execution of a purchase order agreement with Geiger Pump & Equipment Co. of Baltimore, Maryland.

Mr. Havens moved the Resolution Authorizing the Executive Director to enter into a purchase agreement with Geiger Pump & Equipment Co. of Baltimore, Maryland for the purchase of a replacement vertical turbine pump bowl assembly for a 600-hp river intake pump at the Manasquan Water Supply System for a lump sum cost of \$61,500.00. Mr. Picco seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Brooks gave the background information on the resolution authorizing Change Order No. 4 - Construction contract for Dredging

of the Delaware & Raritan Canal from Kingston to Amwell Road, Franklin Township, Somerset County, New Jersey WSA-C17012. Mr. Brooks discussed the history and prior change orders to the construction contract with J.F. Brennan Company, Inc. of La Crosse, Wisconsin. Mr. Brooks stated that after the first year of dredging in 2018, Brennan notified the Authority of differing field conditions and requested compensation totaling just over \$3.5M. Mr. Brooks described the field conditions which included rock outcrops that caused decreased production and reduced volume of sediment available for dredging. Mr. Brooks projected slide images to illustrate the dredging process and conditions.

Mr. Brooks stated that the Authority engineer verified the existence of the rocky subgrade by probing and confirmed the rock was more extensive than identified during design. Following completion of the second dredging season, Brennan restated their claims and increased their request for additional compensation. Mr. Brooks summarized the complex negotiations, outlined in the memorandum, whereby the Authority agreed to compensate Brennan at a reduced rate for the volume of material that they were unable to dredge, while de-obligating proportional contract bid items, resulting in a zero sum change order. Mr. Brooks noted that the agreement was contingent on the settlement of all other existing Brennan claims. By agreement with Brennan, and with Board approval, this exact compensation structure will also be applied to the remaining reaches if similar rock outcrops reduce the volume of sediment available for removal.

In response to a question by Mr. Hoffman, Mr. Brooks credited Mr. Barth with noting that in the construction of the Canal, the center of the channel was of greatest concern and less concern was paid to areas along the banks, thus explaining differences from the original design. The rock outcrops will be documented for the future.

Mr. Havens moved the resolution authorizing the Executive Director to execute change order No. 4 with J.F. Brennan of La Crosse, Wisconsin for the Dredging of the Delaware and Raritan Canal from Kingston (Station 1862+00) to Amwell Road (Station 2418+00) in Franklin Township, Somerset County, New Jersey by a unit cost sum of \$1,773,269.94, while de-obligating an equal dollar amount from the payable quantities, resulting in a zero sum change order. 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 - 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 a resident of Lebanon Township and inquired about the Builder's Risk Insurance to which Mr. Brooks replied that the Authority has taken reasonable measures to obtain a suitable policy and that all safety precautions have been taken into consideration with respect to project construction. Mr. Shope questioned the need for the Round Valley Reservoir and in response, Mr. Hoffman stated that the Department of Environmental Protection looks upon Round Valley as an extremely valuable asset for the water supply of Central and Northeast New Jersey.

Mr. Barth introduced himself as a member of the D&R Canal Watch. Mr. Barth distributed a schedule of D&R Canal Watch activities for 2020. Mr. Barth highlighted some of the activities, including a Canal boat dinner cruise on July 18 and the D&R Canal Watch annual meeting on June 7, at which Marc Brooks will be a speaker. Mr. Barth encouraged all to attend.

Mr. Sell introduced himself as a member of the Hunterdon Sailing Club. Mr. Sell stated that he came to follow up on progress regarding Hazardous Algal Blooms which was answered in Mr. Klipstein's report. Mr. Sell would like to see results of the Bathymetric surveys when they are complete.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Mr. Havens moved to adjourn the meeting. Mr. Picco seconded the motion. All Authority members approved the motion. The meeting was adjourned at 2:25 P.M.

I hereby certify this to be a true and original copy of the February 3, 2020 New Jersey Water Supply Authority meeting minutes.

*Michelle Rollman*

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Michelle Rollman  
Finance & Accounting Analyst