



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the New Jersey Water Supply Authority

June 1, 2020

A regular meeting of the New Jersey Water Supply Authority was convened on June 1, 2020 at 2:05 P.M. by teleconference.

As designated by Catherine 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
Ellsworth Havens
Robert Iacullo
Steven Picco

Absent: Shing-Fu Hsueh

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Angelo Lovisa, Hunterdon Sailing Club
Robert Barth, D&R Canal Watch
David Shope, Resident
Lisa Plevin, New Jersey Highlands Council
Annette Tagliareni, New Jersey Highlands Council
Christine LaRocca, New Jersey Highlands Council
James Humphries, New Jersey Highlands Council
Gabrielle Gallagher, New Jersey Highlands Council
Carole Anne Dicton, New Jersey Highlands Council
Tom Tagliareni, New Jersey Highlands Council

Authority Staff Present:

Marc Brooks, Executive Director
Susan Buckley, Director Finance & Administration
Darin Shaffer, Chief Engineer
Paul McKeon, Director Manasquan Water Supply System/D&R Canal
Kenneth Klipstein, Director Watershed Protection Programs
Rita Shaw, Controller
Christopher Sotiro, Contracts & Risk Manager
Heather Desko, Senior Watershed Protection Specialist
Michelle Rollman, Finance and Accounting Analyst
Kathrine Hunt, Deputy Attorney General
Lauren LaRusso, Associate Counsel, Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Hoffman opened the meeting by asking for the approval of the minutes of the May 4, 2020 meeting. Mr. Picco moved for the approval of the minutes as prepared and this motion was seconded by Mr. Iacullo. The minutes of the May 4, 2020 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks noted that everyone has a copy of his report. Mr. Brooks relayed the sad news that the Authority Manager of Human Resources, Bill Brenner, passed away on May 17. Mr. Brooks noted that Mr. Brenner lost his battle after a long struggle following a planned heart surgery in January. Mr. Brooks considered Bill a great co-worker and a friend. His death was not related to COVID-19.

Mr. Brooks stated that, as of the date of this meeting, no Authority employees have been diagnosed with COVID-19, but that employees have had some exposure due to positive tests of family members in their homes. Mr. Brooks described these two cases in which both employees subsequently tested negative.

Mr. Brooks stated that Executive Orders continue to permit all of our construction projects to continue and that they have continued with the exception of the Canal Capital Dredging Project. The Wisconsin-based contractor extended their originally scheduled period of downtime for that project. Mr. Brooks stated that Mr. Shaffer would provide more details in his report.

Mr. Brooks stated that rainfall at Spruce Run was above average, at 5.0 inches, in April and below average, at 2.62 inches, in May. Mr. Brooks stated that 4.9 inches of rain fell in the Manasquan system in April and 1.61 inches in May, also above and below average respectively.

COMMUNICATIONS/CORRESPONDENCE

Mr. Brooks noted an advertised notice from the Department of Environmental Protection, Water Resources Management, Division of Water Supply and Geoscience in NJ.Com about the Temporary Reduction of Passing Flows in the Raritan River Due to the Drawdown Associated with the Refurbishment of Round Valley Reservoir. Mr. Hoffman stated that no comments were received on that public notice and that a letter by the DEP on this issue is in preparation which he anticipates will be released this week.

UNFINISHED BUSINESS

Mr. McKeon provided a report on the Water Treatment Plant and the Manasquan Reservoir System. Mr. McKeon stated that everyone has a copy of his report. Mr. McKeon stated that rainfall in May was considerably below average. The weather was cool during the month resulting in less river turbidity and relatively cleaner water from the river. The reservoir was topped with river water and Mr. McKeon noted that the algae levels have been low. Mr. McKeon stated that it has been quiet at the Manasquan System over the last month. Maintenance crews have been coming in as needed to address certain minor tasks, but otherwise working from home in compliance with COVID-19 guidance.

Mr. Shaffer reported on the Raritan Basin System. Mr. Shaffer stated that everyone has a copy of his report. Mr. Shaffer noted that the Spruce Run Reservoir is currently at elevation 272.97 which is 99.8 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. At the date of this meeting, it is at elevation 360.5 or 66.5 percent. The combined reservoir capacity is now at 72.0 percent while the typical combined level for this date is 94.9 percent.

Mr. Shaffer reported on Canal operations. Mr. Shaffer stated Canal operations are normal for this time of year but noted that staffing continues to be evaluated on a daily basis to address essential tasks while still accommodating guidance intended to minimize the spread of COVID-19.

Mr. Shaffer reviewed the status of the Canal Dredging Project. Dredging has been completed in Reaches 1 through 4 and 60 percent of Reach 5. Reach 6 and the remainder of Reach 5 are slated to be dredged in 2020 which is year three of the projected three year project. The contractor has delayed the restart of dredging operations by nearly two months due to COVID-19 concerns. The Authority consultant has confirmed that the contractor plans to re-mobilize in mid-June and start dredging in Reach 5 about two weeks later. Mr. Shaffer stated that the impact of this delay on the overall dredging schedule is not clear. There is a potential for the dredging to be completed this year, but it may push into 2021.

Mr. Shaffer reported on the Round Valley Reservoir Dams Rehabilitation and Resource Preservation Project. Mr. Shaffer stated that the Round Valley Grouting and South Dam intake tower dredging projects are substantially complete. Mr. Shaffer stated that notice to proceed for the embankment rehabilitation was issued to the contractor in late January. At the Dike, the dewatering wells have been drilled and pumps installed and the actual dewatering operation is scheduled to begin this week. Excavation will begin when the target ground water levels have been met. Mr. Shaffer stated that numerous other project elements are continuing including: dewatering well installation at the North Dam, stockpiling of filter sand and stone, instrumentation installation at all three sites, tree clearing, surveying, security fence installation and erosion and sediment control measures. County Rt. 629 remains closed to all traffic and the public within the project area between the dike and Old Mountain Rd.

Mr. Shaffer reported on the dredging of the pond at the South Branch Pump Station. Mr. Shaffer stated that the contractor has successfully drained the pond and constructed a temporary cofferdam to protect the work area from flooding from the South Branch Raritan River. Heavy equipment is operating in the pond area, moving accumulated sediment into piles and rows to expedite the drying process. As the material dries it will be loaded into trucks and disposed off-site. Hauling began the morning of the date of this meeting.

Mr. Shaffer discussed the Six-Mile Run culvert which is a three-barrel culvert in Franklin Township, just upcanal from Blackwells Mills Causeway. Emergency repairs to the culvert have been necessary on two recent occasions. As a result, an engineer was procured to design permanent repairs to the culvert. The Authority solicited bids to dewater the culverts for internal inspection as part of the design, but because the bids came in significantly over the engineer's estimate, the Authority did not recommend award of that contract. In lieu of the internal inspection, a dye test is planned to be conducted in the canal above the Six-Mile Run culvert during the week of June 8. The purpose of the test is to identify potential hydraulic connection between the canal and Six-Mile Run so that appropriate repairs can be designed and constructed. Mr. Shaffer noted that the dye is safe for use in all public water supply systems, is biodegradable, photodegradable, and is non-toxic and non-harmful to aquatic life. It is expected to be dissipated prior to arriving at any water supply intake. Mr. Shaffer stated that interested parties, including water purveyors, NJDEP and the Canal Commission, have been notified of the test.

Mr. Shaffer discussed the right abutment of the Island Farm Weir which forms a portion of the north embankment of the canal at that location. Past high flow events in the Raritan River have caused erosion and damage to the embankment. A consulting engineer

developed a set of plans to repair and armor the embankment and obtained the required approvals and permits. Bids for a construction contract will be solicited in June and construction is anticipated in the fall.

Mr. Shaffer stated that two change orders are summarized 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 the Biochar grant agreement has been executed and the Authority is preparing the request for quotes to hire a consultant for the design and implementation elements of that project. Mr. Klipstein anticipates that the contract will be awarded in two to three weeks and that the Biochar filters will be installed in August.

Mr. Klipstein stated that he received questions from the Hunterdon Sailing club outside of the meeting and in response wanted to inform them that the DEP has released a revised Harmful Algal Bloom ("HAB") strategy which includes a five-tiered alert level. Mr. Klipstein discussed the revised HAB warning levels which as proposed would trigger a beach closing when cell counts exceed 80,000 cells/ml. Mr. Klipstein stated that further information could be found at www.nj.gov/dep/hab/. Mr. Klipstein also noted that results of bathometric survey work undertaken by the NJDEP in the reservoir, in coordination with the Authority, are still pending.

NEW BUSINESS

Rita Shaw provided a report on the Unaudited Financial Statements for the nine months ending March 31, 2020. Ms. Shaw stated that the financial statements have been distributed to all interested parties and are available on the Authority website as required by bond resolution. Ms. Shaw noted that the statements show favorable results of operation. The change in net position is \$7.9 million in comparison to \$7.8 million for the same period last year. Ms. Shaw reviewed operating revenue and expenses and offered to answer any questions. Mr. Brooks noted that no Board action was required.

Ms. Buckley provided the background information on the resolution ratifying the Executive Director's placement of builder's risk insurance coverage for the Round Valley Embankment Rehabilitation Project. Ms. Buckley stated that the Authority received four quotes for this policy after soliciting the market over a significant period of time. Analysis by Authority staff, the Authority's risk manager, and the Authority's broker determined that the Liberty Mutual policy offered the broadest coverage and best pricing options. Ms. Buckley stated that after negotiations on terms, deductibles and coverages, the resulting policy premium is \$1.3 million, or \$700,000 below the authorized budget of \$2 million.

Mr. Havens moved the resolution to ratify the Executive Director's placement of a Builder's Risk Policy for the Round Valley Embankment Rehabilitation Project for a period of May 15, 2020 through August 21, 2022 at a premium of \$1,300,000. Mr. Picco seconded the motion. All Authority members approved the resolution.

Ms. Buckley provided the background information on the resolution authorizing an amendment to Contract C18034 - Willis of New Jersey, Inc. for Builder's Risk placement fee. Ms. Buckley stated that in connection with the placement of the Builder's Risk policy, the Authority used additional services not contemplated in the original contract with Willis of New Jersey to place the Authority's routine, annual insurance policy. Ms. Buckley noted that staff negotiated an additional payment of \$120,000 to Willis, which is significantly lower than the 15 to 20 percent of premium fee that is typically charged.

Ms. Blew moved the resolution to authorize the Executive Director to execute an amendment to its brokerage services contract with Willis of New Jersey, Inc. of Short Hills, New Jersey to amend the fee agreement by an additional \$60,000 for each of the first and second program years, for a total of \$120,000. Mr. Iacullo seconded the motion. All Authority members approved the resolution.

Mr. Shaffer provided the background information on the resolution authorizing Change Order No. 2 - Construction contract for Round Valley Reservoir Structures Refurbishment & Resource Preservation Project - Sediment Relocation for Maintenance of the South Tower Intake Channel, Clinton Township, Hunterdon County, New Jersey, WSA-C19015. Mr. Shaffer stated that upon completion of the dredging conducted by Mount Construction in February 2020, a final survey was conducted as required by the contract. The final survey was compared to the pre-dredge survey to compute the total volume of accumulated sediment that was removed from the intake channel. This analysis demonstrated that 9,537 cubic yards of sediment were removed which was 537 cubic yards greater than the bid quantity. Authority staff and the Authority consultant reviewed the survey data and found the computed dredge material quantity to be fair and accurate. Mr. Shaffer noted that while removal of the extra sediment was unplanned, it is beneficial to the long term maintenance and operation of the South Dam intake tower.

Ms. Blew moved the resolution to authorize the Executive Director to execute Change Order No. 2 with Mount Construction Company of Berlin, New Jersey, for construction services provided for the Round Valley Reservoir Structures Rehabilitation & Resource Preservation Project - Sediment Relocation for Maintenance of the South Tower Intake Channel located in Clinton Township, Hunterdon County for an amount of \$31,146, increasing the total contract value to \$941,053.47. Mr. Picco seconded the motion. All Authority members approved the resolution.

Ms. Desko provided the background information on the Resolution authorizing the Executive Director to execute a contract agreement with Montclair State University to perform 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." Ms. Desko stated that in March 2020, the Authority, in collaboration with the US Geological Survey New Jersey Water Science Center and Montclair State University's New Jersey Center for Water Science and Technology, submitted a pre-proposal to the nationally-competitive Harmful Algal Bloom Directed Cooperative Matching Fund Grant Program. The project, entitled "Downstream Fate and Transport of Cyanobacteria and Cyanotoxins in the Raritan River Basin, New Jersey", was subsequently selected to receive a three-year grant award of \$285,000. Consistent with the tasks defined in the grant and N.J.S.A. 52:14-2, which allows no-bid agreements between different departments of State Government, the Authority proposes to enter into a three-year \$145,000 agreement with Montclair State University beginning in August 2020 to perform a range of laboratory analyses in support of the project. Ms. Desko discussed the objectives, costs and partners for the project. Ms. Desko also discussed the allocation of project funds and the specific processes and analyses to be conducted. Ms. Desko stated that Dr. Meiyin Wu of Montclair State University will play a critical coordinating role, and will oversee the analysis of discrete samples that will be analyzed at the NJCWST at Montclair State University. Ms. Desko noted that this procurement was reviewed by Deputy Attorney General Kathrine Hunt. The Authority's Source Water Protection reserve will be the funding source for the Authority's portion of this grant.

Mr. Havens moved the resolution authorizing the Executive Director to execute a contract agreement with Montclair State University to perform analytical services over the course of three years 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 amount not to exceed \$145,000. Ms. Blew seconded the motion. All Authority members approved the resolution.

COMMITTEE REPORTS

(a) Personnel - no report

(b) Finance - no report

(c) Audit - Mr. Iacullo provided an Audit Committee report. Mr. Iacullo stated that the Audit Committee met with the Authority's external auditor, Mercadien, to review the planning process for the upcoming financial audit. The preliminary audit work will begin in July and it is anticipated that the field work will be completed by the week of July 27. Mr. Iacullo noted that the audit will be conducted similarly to the past with the addition of a review of the

impacts from the COVID-19 pandemic. The timing of the issuance of the final report will depend on the state release of information related to pensions and post retirement benefits.

(d) Public Participation - no report

(e) Capital Projects - no report

(f) Insurance - no report

(g) Watershed Lands Acquisition Committee - no report

PUBLIC COMMENT

Mr. David Shope introduced himself as a resident of Lebanon Township, New Jersey. In response to a question by Mr. Shope, Ms. Buckley stated that today's approval of the Builder's Risk Insurance procurement for the Round Valley Embankment Rehabilitation Project completes the coverage for the project.

Mr. Angelo Lovisa introduced himself as a member of the Hunterdon Sailing Club and thanked Mr. Klipstein for answering the questions of the club in his report.

EXECUTIVE SESSION

There is no need for an executive session.

RETURN TO PUBLIC SESSION

Mr. Havens moved to adjourn the meeting. Mr. Picco seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:40 P.M.

I hereby certify this to be a true and original copy of the June 1, 2020 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman

Michelle Rollman
Finance and Accounting Analyst