



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
March 2, 2020

A regular meeting of the New Jersey Water Supply Authority was convened on March 2, 2020 at 2:02 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, Patricia Ingelido, Assistant Director, 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: Patricia Ingelido - by phone
Susan Blew - by phone
Ellsworth Havens
Robert Iacullo

Absent: Shing-Fu Hsueh
Steven Picco

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Robert Barth, D&R Canal Watch
David Shope, Resident
Oleg Kostin, New Jersey American Water
Angelo Lovisa, Hunterdon Sailing Club
John Halstead, Hunterdon Sailing Club
Prem Sreenivasan, NJBSoft

Authority Staff Present:

Marc Brooks, Executive Director and Acting Chief Engineer
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
Julie Shelley, Permit/Property Administrator
Michelle Rollman, Finance & Accounting Analyst
Joy Johnson, Assistant Counsel, Authorities Unit - by phone
Kathrine Hunt - Deputy Attorney General

APPROVAL OF THE MINUTES

Acting Chair Ingelido opened the meeting by asking for the approval of the minutes of the February 3, 2020 meeting. Ms. Blew moved for the approval of the minutes as prepared and this motion was seconded by Mr. Havens. The minutes of the February 3, 2020 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks noted that the elevation at Spruce Run is 271.4 feet, or 93.8 percent of capacity and that the elevation at Round Valley is 360.7 feet, or 66.7 percent of capacity. Mr. Brooks noted that 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.

COMMUNICATION/CORRESPONDENCE

Mr. Brooks stated that there were no items of communications 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 the Operations Report for the Manasquan System. Mr. McKeon stated that pumping was performed over the prior weekend and that the Manasquan Reservoir is at full capacity. Mr. McKeon noted that the weather has been good and operations are running smoothly for the Manasquan system.

Mr. Brooks reported on the Raritan Basin System. Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks stated

that Canal operations are normal for this time of year. Mr. Brooks stated that Williams-Transco has completed a design and is close to having permits for a more permanent repair to the seep that was identified at the high-pressure gas line crossing which is owned by them. They are expected to start work in late March or early April.

Mr. Brooks reviewed the status of the Canal Dredging Project. The contractor continues to truck material from the staging area to the beneficial reuse site in Bridgewater. Mr. Brooks anticipates that trucking of the material from the second season will be completed within two weeks and that dredging with two machines in Reach 5 will start on or about May 1. Tree trimming to facilitate the continued dredging is anticipated to begin on March 16.

Mr. Brooks reported on the Round Valley Reservoir Dams-Rehabilitation and Resource Preservation Project. Mr. Brooks stated that the Round Valley Grouting project is near completion and that dredging in the channel is substantially complete. The notice to proceed for the contractor on the embankment rehabilitation was issued in late January. Mr. Brooks noted that surveying is ongoing and that tree clearing has started east of the North Dam and will move to the Dike soon.

Mr. Brooks stated that there are no change orders to report this month 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 and that he had nothing to add to his written report.

NEW BUSINESS

Ms. Shaw provided background information on the Authority's financial performance for the six months ending December 31, 2019. 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 show favorable results of operations and a change in net position of \$5.3 million compared to a change in net position of \$5.2 million in December, 2018. Ms. Shaw discussed factors affecting revenues and expenses and offered to answer any questions. Mr. Brooks stated that no Board action was required.

Ms. Buckley provided the background information on the

resolution authorizing a change in appointments to the Insurance Committee for the remainder of calendar year 2020. The resolution appoints Mr. Iacullo to the committee in place of Dr. Hsueh and appoints Mr. Havens as Chair of the committee. The committee would then consist of Mr. Havens, Ms. Blew, and Mr. Iacullo.

Mr. Iacullo moved the resolution assigning members to the Insurance Committee for the remainder of calendar year 2020. Mr. Havens seconded this motion. All Authority members approved of this resolution.

Ms. Buckley provided the background information on the resolution ratifying the Executive Director's placement of the Authority's March 1, 2020 - March 1, 2021 Insurance Program. Ms. Buckley stated that the total premium for the renewal will be approximately \$1.6 million, which is a 7.8 percent increase relative to the 2020 insurance budget. Ms. Buckley stated that, consistent with the resolution passed at the November 2019 meeting, the insurance committee was briefed and approved the placement in exceedance of the budget. Ms. Buckley discussed market conditions and highlights of the year's placement. Mr. Iacullo noted that the experience rating factor is very good.

Mr. Havens moved the resolution ratifying the Executive Director's placement of the Authority's March 1, 2020 - March 1, 2021 Insurance Program. Ms. Blew seconded this motion. All Authority members approved of this resolution.

Ms. Buckley provided the background information on the resolution accepting the Collective Bargaining Agreement between the State of New Jersey and the International Brotherhood of Electrical Workers Local 30 State Government Manager's Union ("IBEW") for the period July 1, 2019 through June 30, 2023. Ms. Buckley stated that the IBEW contract, applicable to four unionized middle managers at the Authority, is the third of three union contracts to be negotiated and discussed the significant economic features of the agreement.

Ms. Blew moved the resolution accepting the agreement between the State of New Jersey and the IBEW and amending the Authority compensation schedule in accordance with the terms of the agreement and Authority policy. Mr. Iacullo seconded this motion. All Authority members approved of this resolution.

Ms. Shelley provided the background information on the resolution authorizing execution of an agreement and an easement granting JCP&L permanent rights to extend electrical service on Authority property at the Round Valley Reservoir, Clinton

Township, Hunterdon County. Ms. Shelley stated that electrical service is needed for construction and permanent use in the vicinity of the Round Valley Dike and that JCP&L is the electrical provider in the area. Ms. Shelley stated that JCP&L has provided a contract for the work as well as an easement as required for their service. The documents were reviewed by Deputy Attorney General, Kathrine Hunt. In response to a question by Mr. Havens, Ms. Hunt stated that there were no issues.

Mr. Iacullo moved the resolution authorizing the Executive Director to execute a contract agreement and permanent easement on Block 15, Lot 1 in the Township of Clinton, giving Jersey Central Power & Light the right to construct, operate and maintain overhead, underground and ground level facilities. Mr. Havens seconded the motion for the Resolution. All Authority members approved the resolution.

Ms. Shelley provided the background information on the resolution authorizing execution of a contract to sell a fee simple interest in a portion of Block 25, Lot 17 to address an encroaching dam, Clinton Township, Hunterdon County. Ms. Shelley stated that in early 2019, the Authority became aware of an encroachment from a private neighbor to one of the Round Valley Force Main properties. Ms. Shelley stated that at some time in the past, the encroachment was created through the construction of a pond impounded by a dam. A professional surveyor was engaged to assess the encroachment and an appropriate maintenance buffer. The Division of Dam Safety at the Department of Environmental Protection was notified. After consultation with the Deputy Attorney General, the Authority presented the owner of the encroaching lot with three options for remedy including removal of the dam, relocation of the dam, or purchase of that portion of the Authority property constituting the encroachment and maintenance buffer area. Clinton Township is supportive of a lot line adjustment in place of a formal subdivision. Ms. Shelley stated that it is not yet known which option for remedy that the owner of the property will pursue.

Ms. Blew moved the resolution authorizing the Executive Director to execute a contract for the sale of a fee simple interest in a 0.120-acre portion of Block 25, Lot 17, Clinton Township, Hunterdon County and other documents related to its sale. Mr. Havens seconded this motion. All Authority members approved of this resolution.

Mr. Klipstein provided the background information on the resolution authorizing Amendment No. 2 to Contract No. WSA-C07012 with Princeton Hydro for additional professional engineering

services required for the Delaware and Raritan Canal Stormwater Best Management Practices Implementation Project in Franklin Township and South Bound Brook Borough, Somerset County, New Jersey. Mr. Klipstein reviewed the history of the engineering services provided by Princeton Hydro in support of various stormwater best management practices funded by the New Jersey Department of Environmental Protection ("NJDEP") to improve water quality in the last eleven miles of the Canal. Mr. Klipstein stated that the construction contract for the retrofit of four stormwater basins designed by Princeton Hydro was recently executed and construction began today. Mr. Klipstein stated that while Authority staff will oversee the day-to-day work for this project, the Authority seeks to have Princeton Hydro provide construction management services that were not anticipated in their original contract. Additionally, Mr. Klipstein stated that a fifth basin retrofit was previously designed but requires additional permitting and construction management services. Mr. Klipstein noted that the Authority will seek reimbursement for the proposed costs through the NJDEP watershed restoration grant.

Mr. Iacullo moved the resolution authorizing the Executive Director to amend the professional engineering services contract with Princeton Hydro, LLC for additional engineering services in connection with the retrofitting of Renoir Way, Laird Terrace, Gauguin Way, Municipal Complex and Dellwood Lane detention basins in Franklin Township, Somerset County for a reimbursable cost not to exceed amount of \$59,966.14, increasing the contract to a total lump sum and reimbursable cost not to exceed amount of \$327,625.24. Mr. Havens 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 local resident. In response to a question by Mr. Shope, Mr. Brooks stated that the resolution ratifying the placement of the Insurance Program did not include builder's risk coverage for the Round Valley

Embankment Rehabilitation Project. In response to a speculation by Mr. Shope, Ms. Buckley indicated that the Authority is still actively working on this placement and anticipates receiving bids for this policy. The Authority's current insurance carrier has indicated that they will not provide this coverage because the complicated nature of the project is outside of their scope of business.

Mr. Lovisa introduced himself as a member of the Hunterdon Sailing Club. Mr. Lovisa stated that the Hunterdon Sailing Club is in the process of developing a calendar of events for the year. In response to a question by Mr. Lovisa, Mr. Klipstein stated that the NJDEP is aware of requests to modify the levels of Harmful Algal Bloom ("HAB") warnings. Mr. Klipstein believes that the NJDEP is not open to changing the levels required to trigger HAB warnings, but that they are considering adjustments to postings and developing more moderate warnings. It is not known when the NJDEP will make those determinations.

Mr. Halstead introduced himself as a member of the Hunterdon Sailing Club. In response to a question from Mr. Halstead, Mr. Klipstein stated that the New Jersey Department of Health ("DoH") is the agency responsible for issuing the HAB advisories for the NJDEP. Mr. Klipstein offered to provide DoH contact information to Mr. Halstead after the meeting.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Mr. Havens moved to adjourn the meeting. Mr. Iacullo seconded the motion. All Authority members approved the motion. The meeting was adjourned at 2:30 P.M.

I hereby certify this to be a true and original copy of the March 2, 2020 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman

Michelle Rollman
Finance & Accounting Analyst