



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the New Jersey Water Supply Authority

May 4, 2020

A regular meeting of the New Jersey Water Supply Authority was convened on May 4, 2020 at 2:00 P.M. by teleconference.

As designated by Catherine 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, 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
David Brogle, Middlesex Water Company

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
Michelle Rollman, Finance and Accounting Analyst
Kathrine Hunt, Deputy Attorney General
Lauren LaRusso, Associate Counsel, Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Ingelido opened the meeting by asking for the approval of the minutes of the March 2, 2020 meeting. Mr. Picco moved for the approval of the minutes as prepared and this motion was seconded by Ms. Blew. The minutes of the March 2, 2020 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks noted that everyone has a copy of his report. Mr. Brooks discussed weekly emails and reports summarizing the measures that the Authority has been taking through the pandemic. As of today, no Authority employees have been diagnosed with COVID-19. Executive Orders permit all of the Authority construction projects to continue with the exception of the Canal Dredging project where the scheduled, current period of downtime has been extended.

Mr. Brooks stated that rainfall in March at Spruce Run was just below average at 3.4 inches, with the average being 3.69 inches. Mr. Brooks stated that 4.1 inches of rain fell in the Manasquan system in March.

Mr. Brooks reminded all Board members that the Financial Disclosure Filing Deadline was extended to July 31.

COMMUNICATIONS/CORRESPONDENCE

Mr. Brooks noted a news article from NJ.com regarding the Round Valley Reservoir Rehabilitation Project, included in the Board package.

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 it has been quiet at the Manasquan System over the last month. There have been no anomalies or problems with water treatment or pumping. The system has been working with a skeleton crew due to Covid 19 guidance and there have been no issues.

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 273.2 which is 100.9 percent of capacity. Round Valley has been drawn down to

elevation 360.5 or 66.5 percent of capacity. Mr. Shaffer further indicated that the pool will remain at or below this elevation for the duration of the rehabilitation project. The combined reservoir capacity is now at 72.2 percent while the typical combined level for this date is 94 percent.

Mr. Shaffer reported on Canal operations. Mr. Shaffer stated that Canal operations are normal and that staffing is evaluated on a daily basis due to Covid 19 concerns. Mr. Shaffer discussed the status of the seepage at the high-pressure gas line crossing owned by Williams-Transco. The design and permits have been completed and they are expected to start work in mid to late June. The Authority continues to monitor the interim repair.

Mr. Shaffer reviewed the status of the Canal Dredging Project. Reaches 1 through 4 are complete and the dredge materials have been trucked from the staging area to the beneficial reuse site in Bridgewater. Mr. Shaffer stated that the continued work in Reach 6 and the remainder of Reach 5 has been delayed by a month due to Covid 19 which could cause the project to extend into the next calendar year.

Mr. Shaffer reported on the Round Valley Reservoir Dams Rehabilitation and Resource Preservation Project. Mr. Shaffer stated that the Round Valley Grouting project is substantially complete at both the North and the South Dams. Dredging in the South Dam intake channel is complete and approximately 9,500 cubic yards of sediment were relocated. Mr. Shaffer discussed numerous other project elements currently underway. Mr. Shaffer noted that County Road 629 is closed to traffic and the public within the project area between the Dike and Old Mountain Road.

Mr. Shaffer stated that three 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 although Covid 19 measures have impacted spring field work, the Watershed Management staff has been working well from home. Mr. Klipstein commended the Information Technology staff for facilitating strong and reliable remote access to the network and to important programs such as GIS.

NEW BUSINESS

Ms. Buckley provided the background information on the Resolution authorizing the Executive Director to negotiate and execute a contract with Hunterdon County Heron Glen Golf Course for renewal of uninterruptible service from the Raritan Basin System. Ms. Buckley stated that this is a standard contract renewal for Hunterdon County Heron Glen Golf Course. Ms. Buckley stated that Hunterdon County Heron Glen Golf Course has a 0.088 mgd contract (of

which 0.079 mgd is consumptive) with the Authority that will expire on June 30, 2020. The applicant has requested a ten year renewal of the contract, beginning July 1, 2020. The Authority has confirmed that the DEP will renew the Water Allocation Permit with no change in terms and conditions. The public hearing was waived after no responses or objections were received from any party. Ms. Blew noted that the resolution should be corrected to reflect the location of Hunterdon County Heron Glen Golf Course in Raritan Township rather than East Amwell Township as stated.

With the stated correction, Mr. Havens moved the resolution authorizing the Executive Director to negotiate and execute a contract with Hunterdon County Heron Glen Golf Course for renewal of uninterruptible service from the Raritan Basin System. Mr. Iacullo seconded the motion. All Authority members approved the Resolution.

Ms. Buckley provided the background information on the resolution adopting revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System, to become effective July 1, 2020 (regulations found at N.J.A.C. 7:11-4.1 et seq.) Ms. Buckley stated that the Board authorized the rate proposal at the November 4, 2019 Board meeting. The rate proposals were published in local newspapers during December, 2019 and published in the New Jersey Register on January 6, 2020. Proposed.Rules@gov has approved the rates. It is anticipated that the adoptions will be published in the June 15, 2020 New Jersey Register.

Ms. Buckley stated that in the Manasquan System there is no change from the initial proposal. Ms. Buckley stated that the overall rates will be \$1,010.75, a decrease of 3.1 percent, for Initial customers and \$1,124.67, a decrease of 1.2 percent, for Delayed customers in fiscal year 2021. There were no members of the public or interested parties in attendance at the Manasquan System pre-public or public hearings. There was one written comment submitted. The Detailed Hearing Officer's report is available on the Authority website.

Mr. Havens moved the resolution adopting revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System, to become effective July 1, 2020 (regulations found at N.J.A.C. 7:11-4.1 et seq.). Mr. Picco seconded the motion. All Authority members approved the resolution.

Ms. Buckley provided the background information on the resolution adopting revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System, to become effective July 1, 2020 (regulations found at N.J.A.C. 7:11-2.1 et seq.) Ms. Buckley stated that the Board authorized the rate proposal at the November 4, 2019 Board meeting. The rate proposals were published in local newspapers during

December, 2019 and published in the New Jersey Register on January 6, 2020. Proposed.Rules@gov has approved the rates. It is anticipated that the adoptions will be published in the June 15, 2020 New Jersey Register.

Ms. Buckley stated that in the Raritan System, there is no change in the rate from the initial proposal of \$336.00/mg and no change from Fiscal Year 2020. There were no attendees at the pre-public hearing, and no attendees at the public hearing. One individual submitted two written comments during the comment period. The Detailed Hearing Officer's report is available on the Authority website.

Mr. Picco moved the resolution adopting revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System, to become effective July 1, 2020 (regulations found at N.J.A.C. 7:11-4.1 et seq.). Mr. Iacullo seconded the motion. All Authority members approved the resolution.

Ms. Buckley provided the background information on the resolution approving the Authority's Manasquan Reservoir System Budget for Fiscal Year 2021 (July 1, 2020 - June 30, 2021). Ms. Buckley stated that in addition to the budget document posted on the Authority website, the Board packages include a detailed discussion of the Manasquan budget which supports the rates. Ms. Buckley stated that the overall budget for the Manasquan Reservoir System is approximately two percent lower than in fiscal year 2020, mainly as a result of increases in operations and management and the establishment of a capital fund component, offset by reductions in the debt service rate components. Ms. Buckley stated that prior year fund balances are being used to stabilize rates. Ms. Buckley offered to answer any questions.

Ms. Blew moved the resolution approving the Authority's Manasquan Reservoir System Budget for Fiscal Year 2021 (July 1, 2020 - June 30, 2021). Mr. Havens seconded the motion. All Authority members approved the Resolution.

Ms. Buckley provided the background information on the resolution approving the Authority's Raritan Basin System Budget for Fiscal Year 2021 (July 1, 2020 - June 30, 2021). Ms. Buckley stated that in addition to the budget document posted on the Authority website, the Board packages include a detailed discussion of the Raritan budget which supports the rates. Ms. Buckley stated that the budget for the Raritan System is virtually flat over fiscal year 2020. Ms. Buckley discussed reductions in health care costs which are offset by increases in capital equipment expenditures and a reduction in the net allocation of headquarters expense to the Manasquan system. Ms. Buckley stated that prior year fund balances are being used to stabilize rates. Ms. Buckley offered to answer any questions.

Mr. Iacullo moved the resolution approving the Authority's Raritan Basin System Budget for Fiscal Year 2021 (July 1, 2020 - June 30, 2021). Mr. Picco seconded the motion. 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 "Spruce Run Reservoir Innovative Biochar Installation to Mitigate Harmful Algal Blooms (HABs)" and the resolution approving the Governing Body Resolution required by the NJDEP in Attachment E (Form DEP-069G) of the same Contract Agreement WM20-038. Mr. Klipstein stated that in March 2020, the Authority was awarded Section 319(h) and Corporate Business Tax funding from the New Jersey Department of Environmental Protection to install a biochar filter system on the Mulhockaway Creek approximately 0.3 miles upstream of the inlet to Spruce Run Reservoir. Mr. Klipstein described the function and use of the system. Mr. Klipstein stated that the 2.5-year project includes the design, installation and maintenance of the system; associated baseflow and stormwater sampling to evaluate the project effectiveness; as well as project coordination and grant management. The Authority will provide a \$63,000 in-kind contribution of staff time to conduct monitoring, analysis and oversight.

Mr. Picco moved the resolution authorizing the Executive Director to execute a contract agreement with the New Jersey Department of Environmental Protection for the Authority's participation in the project "Spruce Run Reservoir Innovative Biochar Installation to Mitigate Harmful Algal Blooms (HABs)." Mr. Havens seconded this motion. Ms. Ingelido abstained. All other Authority members approved the Resolution.

Ms. Blew moved the resolution approving the Governing Body Resolution required by the NJDEP in Attachment E (Form DEP-069G) of Contract Agreement WM20-038 "Spruce Run Reservoir Innovative Biochar Installation to Mitigate Harmful Algal Blooms." Mr. Iacullo seconded this motion. Ms. Ingelido abstained. All other Authority members approved the Resolution.

Mr. Klipstein provided the background information on the resolution authorizing the Executive Director to execute a change order to Jaqueline Burd's agricultural cost-share contract. Mr. Klipstein described the Raritan Basin Partners for Source Water Protection Program through which funding is provided by the United States Department of Agriculture, Natural Resources Conservation Service ("USDA-NRCS") and the Authority to participant farmers for the implementation of conservation practices that provide a water quality benefit. Mr. Klipstein stated that while USDA-NRCS contract payments are based on pre-determined rates, Authority payments are based on actual costs. Mr. Klipstein discussed Jaqueline Burd's farm practice implementations and cost-share details. Mr. Klipstein

stated that Authority staff reviewed the cost documentation and recommends the contract amendment. Mr. Klipstein noted that the Authority will require competitive bidding and 20 percent cap provisions in future agricultural cost-share contracts. In response to a question from Mr. Iacullo, Mr. Klipstein stated that the agricultural projects are monitored and inspected by the USDA-NRCS for adherence to water quality benefits and practices as defined by the USDA-NRCS practice manual.

Mr. Iacullo moved the resolution authorizing the Executive Director to execute a change order to Jaqueline Burd's agricultural mini-grant contract to increase the total cost-share amount by \$37,862.11 to a total of \$83,825.87. Mr. Havens seconded this motion. All Authority members approved the Resolution.

Mr. Klipstein provided the background information on the resolution consenting to a Proposed Amendment to the Northeast and Upper Raritan Water Quality Management Plans concerning the Mine Hill Township Chapter of the Morris County Wastewater Management Plan. Mr. Klipstein stated that under section 208 of the Clean Water Act, the NJDEP is responsible for reviewing and approving amendments to the Northeast and Upper Raritan Water Quality Management Plans. The NJDEP has reviewed the amendment application from the Morris County Office of Planning and Preservation on behalf of the Morris County Board of Chosen Freeholders and directed them to request a written statement of consent from the New Jersey Water Supply Authority. The consent must take the form of a resolution and must be submitted to the NJDEP within 60 days of the request. Mr. Klipstein stated that Authority staff analyzed maps of the sewer service areas to assess the impact to safe yield of the Raritan Basin and determined the impact to be de minimis.

Mr. Havens moved the resolution consenting to a Proposed Amendment to the Northeast and Upper Raritan Water Quality Management Plans concerning the Mine Hill Township Chapter of the Morris County Wastewater Management Plan. Ms. Blew seconded this motion. Ms. Ingelido abstained. All other Authority members approved the Resolution.

Mr. Shaffer provided the background information on the resolution authorizing the award of a Purchase Order for One (1) new current year John Deere Model 5090M Utility Tractor (w/ 90HP Diesel Engine), or Authority approved equivalent for the Raritan Basin System. Mr. Shaffer stated that the Authority identified a need to replace a 1985 utility tractor and flail mower. Four bids were received in response to a published advertisement. The low bid submitted by Belle Mead Garage of Belle Mead, NJ for a Massey Ferguson 4709 Cab Tractor and DelMorino flail mower was deemed to be legally and technically responsive.

Mr. Havens moved the resolution to authorize the Executive Director to issue a purchase order to Belle Mead Garage of Belle

Mead, New Jersey in the amount of \$59,250.00 for the purchase of a utility tractor, flail mower and landscape rake. Ms. Blew seconded this motion. All Authority members approved the Resolution.

Mr. Brooks provided the background information on the resolution concerning the Assistant Secretary for the New Jersey Water Supply Authority. Mr. Brooks stated that at the December 2019 Board meeting, the Board elected a Vice Chair, Treasurer, and Secretary for calendar year 2020. The Authority's By-Laws state that the Authority may appoint such other officers as it shall deem necessary. There is a need for an Assistant Secretary at this time. The Assistant Secretary shall perform all duties of the Secretary when he or she is incapacitated and/or unable to fulfill those duties. Authority staff proposes the election of Commissioner Ellsworth Havens as the Assistant Secretary for the remainder of Calendar year 2020.

Ms. Blew moved the resolution electing Ellsworth Havens as the Assistant Secretary of the New Jersey Water Supply Authority for the remainder of Calendar year 2020. Mr. Iacullo seconded this motion. Mr. Havens abstained. All other 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

Mr. Angelo Lovisa introduced himself as a member of the Hunterdon Sailing Club. In response to a question by Mr. Lovisa, Mr. Klipstein stated that the Authority is working with the DEP to install the Biochar "sock" as soon as possible and that the bidding process for a design engineer is already underway. Mr. Klipstein anticipates the installation to occur in August.

Mr. David Shope introduced himself as a resident of Lebanon Township, New Jersey. In response to a question by Mr. Shope, Mr. Brooks stated that the procurement of insurance for the Round Valley Rehabilitation Project is ongoing and described the status of the process.

Mr. Robert Barth introduced himself as a representative of the D&R Canal Watch. Mr. Barth stated that the D&R Canal Watch schedule

of activities is currently suspended due to Covid 19.

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 2:45 P.M.

I hereby certify this to be a true and original copy of the May 4, 2020 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman

Michelle Rollman
Finance and Accounting Analyst