



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the New Jersey Water Supply Authority

May 3, 2021

A regular meeting of the New Jersey Water Supply Authority was convened on May 3, 2021 at 2:00 P.M. by teleconference.

As designated by Shawn M. LaTourette, 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

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Robert Barth, D&R Canal Watch
Angelo Lovisa, Hunterdon Sailing Club
Oleg Kostin, New Jersey American Water
Frank Marascia, New Jersey American Water
Ayesha Dolasa, CDM Smith
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
Dorota Neulinger, Principal Accountant

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 April 5, 2021 meeting. Mr. Havens moved for the approval of the minutes as prepared and this motion was seconded by Mr. Picco. The minutes of the April 5, 2021 meeting were approved by the Board.

Acting Chair Hoffman asked for the approval of the minutes of the April 19, 2021 special meeting. Mr. Picco moved for the approval of the minutes as prepared and this motion was seconded by Mr. Iacullo. The minutes of the April 19, 2021 special meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks noted that everyone has a copy of his report. Mr. Brooks thanked the Commissioners for attending the special Board meeting in mid-April and for providing receipts of completion of Financial Disclosure Statements, all of which have been received.

Mr. Brooks stated that rainfall recorded at the Spruce Run gage for April was 2.18 inches which was 1.58 inches below average. Rainfall recorded at Manasquan for April was 2.75 inches which was 1.2 inches below average.

COMMUNICATIONS/CORRESPONDENCE

Mr. Brooks stated that there were no communications or correspondence received.

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. Staff has been working on preventative maintenance issues. The Reservoir is full and the Manasquan System is prepared for the summer season.

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 272.95 which is 99.8 percent of capacity. Round Valley is currently at elevation 360.1 or 66 percent of capacity. The combined reservoir capacity is now at 71.6 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 for this time of year. Authority staff is preparing four canal locks for a diving contractor that will perform underwater inspection of four locks (water control structures) and the Sullivan Way aqueduct. The canal locks were last inspected by divers about 20 years ago. The new inspections are scheduled for the end of May.

Mr. Shaffer reviewed the status of the Canal Dredging Project. Mr. Shaffer stated that all dredging activities are complete and the contractor is currently working on restoration of the dewatering site and the access areas. The necessary restoration work is extensive and is expected to be completed this summer. Recently completed post-construction soil sampling at the dewatering site demonstrated that the dewatering operation did not have any adverse impacts to the site.

Mr. Shaffer reported on the Round Valley Reservoir Dams Rehabilitation and Resource Preservation Project. Following Board approval of Contract Modification No. 5 in the April 19 Special Board meeting, the prime contractor retained a subcontractor to perform the embankment rehabilitation at the North Dam while work continues at the Dike. Mr. Shaffer stated that the subcontractor began major earthwork at the North Dam on April 26 and has been stripping topsoil and excavating the embankment.

Mr. Shaffer noted that ancillary work is continuing at both the North Dam and South Dam outlet structures. A diving subcontractor recently cleaned the sluice gates at both towers in preparation for a detailed inspection in advance of required repairs. County Rt. 629 remains closed to all traffic and the public within the project area.

Mr. Shaffer reported that work to repair and armor the right abutment of the Island Farm Weir was completed in mid-April. Mr. Shaffer stated that the Dellwood Stormwater Basin, located in Franklin Township, is being retrofitted to improve its water quality function. The contractor expects to start work next week and the project is expected to be completed within about two months.

Mr. Shaffer stated that one change order is 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 provided an update on the biochar project on the Mulhockaway Creek. Mr. Klipstein stated that the Authority received positive feedback from the Department of Environmental Protection and anticipates imminent notification of permit approval. The Division of Fish and Wildlife is allowing the Authority additional time to install the biochar prior to fish stocking and other restrictions. Mr. Klipstein noted that progress is being made on a watershed

planning project that will provide accurate estimates of the external nutrient loads coming into the reservoir from the Mulhockaway and Spruce Run and the internal nutrient loads generated within the reservoir. This data will provide insights into the effectiveness of the biochar project, while also informing restoration priorities.

Mr. Klipstein discussed the Watershed Protection Unit's land acquisitions, funding and history in response to a question posed during public comments during the April 5, 2021 meeting. Mr. Klipstein stated that the most recent land acquisition was the Wickecheoke Creek Preserve in Delaware Township, in 2013. The land acquisition program was suspended in 2013, but since that time, the Authority has provided approximately \$136,000 in soft cost support to 21 additional acquisitions by Authority partners.

Mr. Klipstein stated that the Authority established the Watershed Protection Unit in 1999 to implement a watershed management program for the Raritan River Basin. As a part of the watershed protection initiative, the Authority established the Source Water Protection Fund in August of 2001 for the stated purpose of protecting the quality and quantity of waters in the Raritan Basin System. The Authority defined three purposes for the use of the fund: (1) administrative actions associated with the acquisition of critical watershed parcels in the Raritan Highlands; (2) planning assistance to improve management of land development by municipal, county and state government to protect both water quality and flows to and within Authority facilities; and (3) water quality characterization and associated remedial projects to preserve and enhance water quality. Mr. Klipstein noted that the Authority last increased the Source Water Protection Rate in 2014 from \$15.00 per million gallons to \$24.00 per million gallons to support debt service on previously acquired critical watershed parcels. The rate component generates approximately \$1.6 million annually, with approximately \$1.05 million annually from the fund allocated to pay down the acquisition debt. The fund has also been used to effectively leverage other available funds for both restoration and protection. The Authority wholly or partially owns 40 preserves, constituting approximately 3,954 acres, for critical water resource protection purposes. Mr. Klipstein stated that he is an advocate for the ability to preserve land with critical water resource value. Mr. Klipstein noted that though both approaches are necessary, it is three times more cost effective to protect good water quality through land acquisition than it is to restore impaired watershed land.

In response to a question from Mr. Hoffman, Mr. Klipstein stated that the watershed laboratory is certified and improvements to include the automated enzyme-linked immunosorbent assay system will follow the NJDEP Quality Assurance Project Plan guidance and approval.

NEW BUSINESS

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, 2021 (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 2, 2020 Board meeting. The rate proposals were published in local newspapers during December, 2020 and published in the New Jersey Register on January 4, 2021. The Governor's office has approved the rate adoption. It is anticipated that the adoptions will be published in the June 21, 2021 New Jersey Register.

Ms. Buckley stated that in the Manasquan System there is no change from the initial proposal and no change from fiscal year 2021. There was one individual, representing New Jersey American Water Company, in attendance at the pre-public meeting; there were no attendees at the public hearing. There were no written comments submitted. 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 Manasquan Reservoir System, to become effective July 1, 2021 (regulations found at N.J.A.C. 7:11-4.1 et seq.). Mr. Iacullo seconded the motion. Acting Chair Hoffman, Commissioners Picco, Blew, and Iacullo approved the resolution. Commissioner Havens did not vote due to technical issues. Four Board members represent a quorum and the resolution passed.

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, 2021 (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 2, 2020 Board meeting. The rate proposals were published in local newspapers during December, 2020 and published in the New Jersey Register on January 4, 2021. The Governor's office has approved the rate adoption. It is anticipated that the adoptions will be published in the June 21, 2021 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 2021. There was one member of the public in attendance at the Raritan pre-public meeting as well as the public hearing. There were no written comments submitted. The detailed Hearing Officer's report is available on the Authority website.

Ms. Blew 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, 2021 (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 approving the Authority's Manasquan Reservoir System Budget for Fiscal Year 2022 (July 1, 2021 - June 30, 2022). 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 1.9 percent higher than in fiscal year 2021, mainly as a result of increases in salary, fringe, insurance and sediment removal, which are offset by a lower adjustment for labor costs related to the water treatment plant. Ms. Buckley stated that prior year overdrafts and favorable budget variances are being used to stabilize rates. Ms. Buckley offered to answer any questions.

Mr. Iacullo moved the resolution approving the Authority's Manasquan Reservoir System Budget for Fiscal Year 2022 (July 1, 2021 - June 30, 2022). 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 2022 (July 1, 2021 - June 30, 2022). 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 overall budget for the Raritan System is approximately 1.5 percent higher than in fiscal year 2021, mainly as a result of increases in salary and fringe, which are partially offset by an increase in the allocation of headquarters expenses to the Manasquan Reservoir System. Ms. Buckley stated that prior year fund balances and overdrafts are being used to stabilize rates.

Ms. Blew moved the resolution approving the Authority's Raritan Basin System Budget for Fiscal Year 2022 (July 1, 2021 - June 30, 2022). Mr. Iacullo seconded the motion. All Authority members approved the resolution.

Ms. Desko provided the background information on the resolution authorizing the award of a contract for Professional Consulting Services required for the Aquatic Plant Management of the Delaware and Raritan Canal (D&R Canal) in Hunterdon, Mercer, Somerset and Middlesex Counties, New Jersey, RFP WSA-R21028. Ms. Desko stated that the Authority engaged a consultant for 2017-2020 to develop a comprehensive aquatic plant management plan, implement an herbicide application targeting hydrilla, and survey and monitor the submersed aquatic vegetation to evaluate management efficacy and guide future management efforts. After four years of herbicide application, a few hydrilla fragments and a small number of tubers still persist. Ms.

Desko noted that even this small amount can result in a re-infestation. To sustain control of the hydrilla population, the Authority intends to continue the herbicide application and monitor for aquatic plant growth throughout the Canal through 2023.

Ms. Desko described the solicitation and evaluation process for technical proposals and the subsequent request for fee proposals and scope equalization process which followed standard Authority procedures. SOLitude Lake Management's proposal was considered responsive and complete, with the lowest final cost proposal, after negotiation.

Mr. Picco moved the resolution authorizing the Executive Director to enter into a contract with SOLitude Lake Management of Washington, New Jersey for Professional Consulting Services required for the Aquatic Plant Management of the Delaware and Raritan Canal, WSA-R21028, for a reimbursable cost not to exceed amount of \$887,497.00. Ms. Blew seconded the motion. All other Authority members approved the resolution.

Mr. Shaffer provided the background information on the resolution authorizing the award of a contract for professional engineering services required for the Rehabilitation of Four Pump Assemblies, Mechanical and Electrical Upgrades at the South Branch Pumping Station; Clinton Township, Hunterdon County, WSA-21008. Mr. Shaffer stated that the South Branch Pump Station was built in 1965 and the major equipment is little changed since that time. In 2016, the Authority refurbished two of the ten pumps as part of a phased approach to rehabilitate all ten pumps, motors, suction piping, and baseplate assemblies. For the current phase of this work, the Authority plans to rehabilitate four more pumps, motors, and other associated equipment. Additional electrical and mechanical upgrades are also planned as recommended in the Asset Management Plan. The Authority sought a consulting engineering firm for the proposed project to investigate, design, and provide construction management, including part-time general inspection services, as well as specialized testing and inspection services for electrical, mechanical and control systems.

Mr. Shaffer described the bid process and the subsequent fee proposals and evaluations. In accordance with Authority procurement policy, Authority staff negotiated with the top ranked firm which submitted a revised fee proposal that included an extra task which the Authority staff recognized as valuable. After negotiation, this revised fee proposal was the lowest cost fee proposal, even with the extra task included.

Ms. Blew moved the resolution to authorize the Executive Director to enter into a contract with Mott MacDonald of Iselin, New Jersey, for professional engineering services required for Rehabilitation of four pump assemblies, and mechanical and electrical upgrades at the South Branch pumping station for a lump sum and

reimbursable cost not to exceed amount of \$1,049,432.00. Mr. Havens seconded this motion. 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 Committee - no report

PUBLIC COMMENT

Mr. Frank Marascia introduced himself as a representative of New Jersey American Water. In response to a question from Mr. Marascia, Mr. Brooks stated that the process of refilling Round Valley Reservoir will commence on project completion and the time it will take to refill is estimated to be one to three years, depending on the quantity of rainfall.

Mr. Angelo Lovisa introduced himself as a member of the Hunterdon Sailing Club. Mr. Lovisa thanked Mr. Klipstein for information provided by email. In response to a question by Mr. Lovisa, Ms. Desko stated that, following collection and analysis, a reporting of the data from the biochar project will be provided on the Authority website.

EXECUTIVE SESSION

There was no need for an executive session.

RETURN TO PUBLIC SESSION

Mr. Picco moved to adjourn the meeting. Ms. Blew seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:36 P.M.

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

Michelle Rollman

Michelle Rollman
Finance and Accounting Analyst