

NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the New Jersey Water Supply Authority

May 4, 2015

A regular meeting of the New Jersey Water Supply Authority was convened on May 4, 2015 at 2:00 P.M. in the Conference Room of the New Jersey Water Supply Authority's Administration Building located at 1851 Highway 31, Clinton, New Jersey.

As designated by Bob Martin, Commissioner New Jersey Department of Environmental Protection and Chair New Jersey Water Supply Authority, Karen Fell served as Acting Chair of the meeting and called the meeting to order.

Deputy Attorney General Alison Reynolds read the statement required by the "Open Public Meetings Act".

Executive Director Henry S. Patterson took the roll call of the Authority members.

Present: Karen Fell, Acting Chair
Susan Blew
Ellsworth Havens
Shing-Fu Hsueh - by phone
Robert Iacullo - by phone
Louis Mai
Steven Picco

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Oleg Kostin, New Jersey American Water
Frank Falco, Middlesex Water Co. & East Brunswick Township
Dave Shope, Self
Charles Engler, Friends of Spruce Run
Gordon Sell, Friends of Spruce Run

Authority Staff Present:

Henry S. Patterson, Executive Director
Zenona I. Puć, Executive Secretary II
Marc Brooks, Chief Engineer
Beth Gates, Director Finance & Administration
Susan Buckley, Chief Financial Officer
Paul McKeon, Manager Manasquan Reservoir System
Kenneth Klipstein, Director Watershed Protection Program

Amy Herbold, Authorities Unit - by phone
Alison Reynolds, Deputy Attorney General
Melissa Abatemarco, Deputy Attorney General

APPROVAL OF THE MINUTES

Acting Chair Fell opened the meeting by asking for the approval of the minutes of the March 2, 2015 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, 2015 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson noted that everyone has a copy of his report.

Mr. Patterson stated that Spruce Run is at 87.1 percent of capacity, Round Valley is at 89.6 percent of capacity and Manasquan is at 98.4 percent of capacity.

Mr. Patterson stated that work continues at the Spruce Run and Round Valley dams. Dye tests were completed at Round Valley with results still pending. Mr. Patterson stated that the Technical Review Board will meet again in July 2015. Mr. Patterson stated that this meeting will be specific to the Round Valley Reservoir.

Mr. Patterson stated that twelve of thirteen Manasquan Reservoir Water Customer's contracts will expire on June 30, 2015. Mr. Patterson stated that the Authority began customer outreach in September 2013 to plan for an FY2016 sales, based on which the rates for the fiscal year would be calculated. Mr. Patterson stated three of the Authority's Water Customers did not complete water usage analysis as of this morning. Mr. Patterson stated that the Authority hopes to have the completed new water contracts ready for the June 1, 2015 Board meeting.

Mr. Patterson stated that the Audit Committee met on April 13, 2015 to select the firm for the FY2015 financial statement audit. Mr. Patterson stated that in accordance to EO122, the Chair of the Audit Committee will give his report.

Mr. Patterson reminded all Commissioners that their Annual Financial Disclosure Statements are due by the May 15, 2015 deadline.

COMMUNICATIONS/CORRESPONDENCE

There were no items of correspondence and communications.

UNFINISHED BUSINESS

Mr. McKeon provided a report on the Manasquan Reservoir System and noted that everything is normal, the reservoir is full.

Mr. McKeon stated that the Polymer System is up and running. Overall, everything is good with preventive maintenance work continuing and working on pending projects.

Mr. Brooks stated that the combined storage at the Round Valley and Spruce Run Reservoirs remains below average. Mr. Brooks stated that the Technical Review Board (TRB) continues with their work at the Round Valley and Spruce Run Dams. Mr. Brooks stated that functionality testing of existing piezometers at Round Valley has been completed and the side scan sonar at Spruce Run has also been completed. The Consultant's report is pending. Mr. Brooks stated that all piezometers and Rockwells have been installed at Round Valley and Spruce Run, camera visual inspection of the piping was done and no immediate concerns have been reported. Mr. Brooks stated that the Consultant has also performed dye testing and chemical testing at the embankments at Round Valley, that work has been completed with a report pending. Mr. Brooks stated that the TRB is scheduled to meet in July 2015.

Mr. Brooks stated that refurbishment and inspection of Pump Assemblies #1 and #6 Units at the SBPS has been completed and released for shipment back to the SBPS. The units will be reinstalled and tested in place this fall. Mr. Brooks stated that rehabilitation work at the Canal Office is progressing. Mr. Brooks stated that the embankment projects at Bull's Island to Prallsville Lock and Stockton Embankment are ongoing.

Mr. Brooks stated that in accordance with Authority By-Laws all Change Orders approved by the Chair of the Capital Projects Committee must be reported to the Board. Mr. Brooks provided the background information on all of the Change Orders and Amendments. Amendment No. 6 in the amount of \$44,361 for Gannett Fleming, the Engineer Consultant working on the TRB work; Amendment No. 2 in the amount of \$16,509.50 for the Professional Services Contract with Paul Geotek, one of two experts that comprise the TRB panel; Amendment No. 2 in the amount of \$17,000 for the Professional Services Contract with Geosystems, the other expert that makes up the TRB panel; An Amendment in the amount of \$750.00 for the Professional Services Contract with Hatch Mott MacDonald for improvements at the Canal Field Office; Change Order No. 2 in the amount of \$12,607.43 associated with the Construction Contract for the Canal Field Office improvements; and Change Order No. 3 on the same project in the amount of \$11,122.10 to Scozzari Builders' Contract for additional work required to provide a more proper ground to the existing electrical box and for installation of special detail in lieu of explosion proof fittings on the electrical conduit near the gas island. Mr. Brooks noted that a previously approved Change Order No. 1 resulted in a credit of \$21,992.

Mr. Klipstein stated that everyone has a copy of his report and that he has nothing else to report. Mr. Klipstein asked if anyone had any questions, no questions were asked.

NEW BUSINESS

Mr. Picco, Chair of the Audit Committee provided the background information on the resolution for the selection of a Certified Public Accountant to provide the Annual Fiscal Audit for the Authority for the fiscal year ending June 30, 2015. Mr. Picco explained the process used for selecting an Auditor was in accordance with the procedures outlined in Executive Order No. 122. Mr. Picco stated that the second rated firm was rated as such, although its proposal fee was nominally lower, because they did not have experience with State Wide Authorities; most of their work is municipal work. Mr. Picco stated that was an important distinction in the selection process. Mr. Picco moved the Resolution authorizing CliftonLarsonAllen, LLP Certified Public Accountants of Mt. Laurel, New Jersey and Plymouth Meeting, Pennsylvania to conduct the Annual Fiscal Audit for the year ending June 30, 2015 for a fee not to exceed \$57,075. Mr. Havens seconded the motion. All Authority members approved of the Resolution.

Mr. Brooks provided the background information on the Resolution authorizing the Executive Director to Amend (Amendment No. 4) Contract WSA-C09012 for Professional Engineering Services required 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. Mr. Brooks explained that it has been decided to change the location of Access Area 3 to a new location which will require modified design drawings and modifications to the previously submitted Freshwater Wetlands and Flood Hazard Area Permit applications. Urban Dredging submitted a proposal to include the scope of services detailed, to develop the study for air emissions risk modeling required by NJDEP and to provide services required to prepare a riparian compensation plan. Mr. Brooks stated that Authority staff reviewed Urban Dredging's fee proposal and recommends that Amendment No. 4 be issued to Contract WSA-C09012 by a reimbursable cost not-to-exceed amount of \$74,569.00. Mr. Picco moved the Resolution authorizing the execution of Amendment No. 4 to Contract WSA-C09012 by a reimbursable cost not-to-exceed amount of \$74,569.00 to bring the total to the reimbursable cost not-to-exceed amount of \$1,760,316.00. Mr. Mai seconded this motion. All Authority members approved of the Resolution.

Mr. McKeon provided the background information on the resolution authorizing the Executive Director to award a contract for Analysis of Potable Water Samples at the Manasquan Water Supply System - Water Treatment Plant to Garden State Laboratories, Inc. of Hillside, New Jersey. Mr. McKeon provided the details of the bidding process. Mr. McKeon further explained that this is a three-year contract and the purchase order would be contingent upon the approval of funding for the second and third year by the Southeast Monmouth Municipal Utilities Authority. Mr. Havens moved the Resolution authorizing the Executive Director to enter into a three-year purchase agreement for the Analysis of Potable Water Samples at the Manasquan Water Supply

System - Water Treatment Plant with Garden State Laboratories, Inc. of Hillside, New Jersey for an amount not-to-exceed \$42,218.25. It should be noted that the NJDEP-required testing was decreased by 10 percent in 2012. Mr. Picco seconded this motion. Mr. Havens, Dr. Hsueh, Mr. Mai, Mr. Iacullo and Mr. Picco approved the resolution. Ms. Blew abstained from this vote.

COMMITTEE REPORTS

- (a) Personnel - no report
- (b) Finance - no report
- (c) Audit - Report given by Commissioner Picco in Resolution authorizing the selection of the Auditor (see above)
- (d) Public Participation - no report
- (e) Capital Projects - no report
- (f) Insurance - no report
- (g) Watershed Lands Acquisition Committee - no report

PUBLIC COMMENT

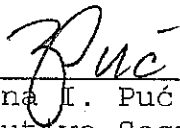
No member of the public had comments

EXECUTIVE SESSION

There was no need for an Executive 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 2:21 P.M.

I hereby certify this to be a true and original copy of the May 4, 2015 New Jersey Water Supply Authority meeting minutes.



Zenona I. Puć
Executive Secretary II