

Minutes of the Meeting of the
New Jersey Water Supply Authority

May 2, 2016

A regular meeting of the New Jersey Water Supply Authority was convened on May 2, 2016 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.

Senior Deputy Attorney General Helene Chudzik 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 - by phone
Ellsworth Havens
Shing-Fu Hsueh - by phone
Robert Iacullo
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
Charles Engler, Friends of Spruce Run
Robert Barth, D&R Canal Watch

Authority Staff Present:

Henry S. Patterson, Executive Director
Zenona I. Puć, Executive Secretary II
Michelle Rollman, Administrative Assistant
Marc Brooks, Chief Engineer
Beth Gates, Director Finance & Administration
Susan Buckley, Controller

Paul McKeon, Director Manasquan Reservoir System
Kenneth Klipstein, Director Watershed Protection Programs
Helene Chudzik, Senior Deputy Attorney General
Lisa LeBoeuf, Assistant Counsel, Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Fell opened the meeting by asking for the approval of the minutes of the April 4, 2016 meeting. Mr. Mai moved for the approval of the minutes as prepared and this motion was seconded by Mr. Havens. The minutes of the April 4, 2016 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 operations in all of the Raritan and Manasquan Reservoir Systems have been typical for early spring. Mr. Patterson indicated that the Authority plans to pump into Round Valley and that the repairs relative to the pinhole leak will commence at Spruce Run this week.

Mr. Patterson stated that electronic bids for the refunding of the 2005 Manasquan Revenue Bonds were accepted on April 26, 2016. There were five bidders and Janney Montgomery provided the low bid with a true interest cost of 1.69 percent and a net premium on the bonds of \$1,821,413. The closing is scheduled for May 12, 2016.

Mr. Patterson reminded the Commissioners that the annual financial disclosure statements must be filed before May 15, 2016.

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 even though rainfall was below the historic average for the month.

Mr. McKeon stated that Authority staff completed a directional flush of the transmission main. This process went well and no negative issues resulted.

Mr. Brooks stated that as of April 27, 2016 there has only been 1.58 inches of rain compared to an average for the month of 3.73 inches. Spruce Run is at 9.3 billion gallons which is 84.1 percent of capacity. Round Valley is at 45 billion which is 81.9 percent of capacity. The combined capacity is 82.3 percent. The average for this time of year is 94.7 percent.

Mr. Brooks stated that the Authority plans to pump into Round Valley beginning tomorrow.

Mr. Brooks discussed the voids adjacent to certain piezometers at Spruce Run. Mr. Brooks reviewed the history of the situation in which a casting was removed from the piezometer referred to as Rockwell 27 and a void was discovered. Gannett Flemming and the New Jersey State Bureau of Dam Safety and Flood control were consulted and repairs were made by Authority staff. Subsequently, two additional piezometers were found to require work which was completed by a contractor. Mr. Brooks indicated that he would discuss further details with the presentation of agenda item "E", under New Business. Mr. Brooks provided photographs of the piezometer voids.

Mr. Brooks reviewed the project to repair the pinhole leak in the piping at Spruce Run. The contractor is scheduled to mobilize on Wednesday, May 4, 2016, for the demolition of one side of the release works and the installation of a fabricated steel plate. A regimented schedule is in place to complete the work on both sides sometime in June, 2016. Mr. Brooks indicated that he would also provide additional details during the presentation of agenda item "B", under New Business.

Mr. Brooks stated that interest in the Round Valley Dam Rehabilitation project has increased. Additional firms have come in to review the documents and take tours. There was an addendum and the deadline for the submission of proposals has been extended to May 16, 2016.

Mr. Brooks stated that he and Ken Klipstein gave a presentation to the Round Valley Trout Association on April 21, 2016 and that the presentation was well received. Staff and consultants also presented on the Canal Capital Dredging Project to the D&R Canal Commission where the project was well received and granted conceptual approval.

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 reported that there was one Change Order with Allied Construction relative to the Spruce Run pinhole leak project. Mr. Brooks provided photographs of the pinhole leak. Mr. Brooks provided the background information on the technical specifications for a reduction elbow pipe planned by the contractor which did not meet project requirements. The contractor provided a revised proposal to meet the project requirements for an additional \$26,800 which was reduced to \$17,615.62 through negotiation. The proposal was approved by the Chair of the Capital Projects Committee, bringing the total project cost from \$184,000 to \$201,615.62.

Mr. Brooks also reviewed the recommendations of Gannett Fleming and the New Jersey State Bureau of Dam Safety and Flood Control for

the timely repair of voids adjacent to three piezometers, first Rockwell 27, and then Rockwell 25 and Rockwell 26. Gannett Fleming provided on site assistance for the repair of the voids adjacent to Rockwell 27. For Rockwells 25 and 26, Gannett Fleming worked with the contractor to provide a work scope and also provided full time inspection over the week of construction which went well. The Executive Director certified that emergency conditions met the requirements of Executive Order 37. Mr. Brooks stated that with the approval of the Chair of the Capital Projects Committee, the Authority executed a contract with Gannett Fleming for \$24,000.

Mr. Klipstein stated that everyone has a copy of his report. Mr. Klipstein brought to the attention of the Board an award from the New Jersey Department of Environmental Protection's Environmental Stewardship Initiative, recognizing the Authority for its voluntary and proactive measures taken to go beyond compliance in an effort to improve the environment and ensure a sustainable future.

NEW BUSINESS

Susan Buckley provided the background information on the Unaudited Financial Statements for the nine months ending March 31, 2016. Ms. Buckley noted that reporting on this quarterly statement is early this year because of the Bond refunding. Ms. Buckley stated that the results are on target and that the Authority had a net change of position of \$4.2 million. Ms. Buckley indicated that detailed financials could be found on the website. No Board action was required.

Marc Brooks provided the background information on the Resolution ratifying the actions of the Executive Director in Executing a Construction Contract Required for the Emergency Repair of the Spruce Run Vault Steel Discharge Piping. Mr. Brooks indicated that the release capacity of the Spruce Run Vault is currently at 35 percent due to a pinhole leak. The Authority sought a permanent repair on an emergency basis. The Executive Director certified that this was an emergency condition that met the requirements of Executive Order 37. Mr. Brooks reviewed all procedures that have taken place to date. Six contractors were asked to bid on the project and five were present at the mandatory pre-bid meeting. The lowest bid of \$184,000 was provided by Allied Construction Corporation. Mr. Mai questioned why six contractors were asked to bid instead of the advertisement of a Request for Proposals. Ms. Chudzik responded that the emergency nature of the issue allowed for a more timely process.

Mr. Havens moved the Resolution ratifying the actions of the Executive Director in Executing a Construction Contract Required for the Emergency Repair of the Spruce Run Vault Steel Discharge Piping. Mr. Iacullo seconded this motion. All Authority members approved the Resolution.

Paul McKeon provided the background information on the Resolution authorizing the award of a Purchase Order Agreement for the refurbishment of one traveling water screen at the Manasquan Water Supply System Facilities, Monmouth County. Mr. McKeon described the function and condition of the traveling water screens. Mr. Mckeon provided photographs of the screens and indicated that some of the work required would be under water. Three bidders provided proposals. Atlas Manufacturing Co. provided the lowest bid of \$40,488. Mr. Havens moved the Resolution authorizing the award of a Purchase Order Agreement for the refurbishment of one traveling water screen at the Manasquan Water Supply System Facilities, Monmouth County. Mr. Picco seconded this motion. All Authority members approved the Resolution.

Mr. Iacullo recused himself from the following Resolution and left the room. Marc Brooks provided the background information on the Resolution authorizing the award of a construction contract for the Rehabilitation of the Cherry Tree Lane Spillway at Station 1269+65 of the Delaware and Raritan Canal in Lawrence Township, Mercer County. Mr. Brooks provided photographs from 2012 and from 2014 when some emergency repair work was done. Mr. Brooks described the function and condition of the spillway as well as the proposed work to be done. Mr. Brooks stated that advertisements for bids were made and that following the mandatory pre-bid meeting, seven bids were received, the lowest of which was provided by South State, Inc. for \$906,625.

Ms. Blew moved the Resolution authorizing the award of a construction contract for the Rehabilitation of the Cherry Tree Lane Spillway at Station 1269+65 of the Delaware and Raritan Canal in Lawrence Township, Mercer County. Mr. Hsueh seconded the motion. Mr. Iacullo was recused. All other Authority members approved the Resolution. Mr. Iacullo returned to the meeting.

Marc Brooks provided the background information on the Resolution ratifying the actions of the Executive Director in executing a construction contract required for emergency grouting of voids adjacent to existing piezometers on the Spruce Run Dam. Mr. Brooks reviewed the emergency condition and the repair process. Moretrench of Rockaway New Jersey was identified by staff as a specialty grouting contractor that has worked on similar projects. The details of the scope of work were provided by Gannett Fleming and Moretrench provided an estimate of \$45,000. The Acting Chair of the Authority Board and all three members of the Capital Projects Committee approved a purchase order in the amount of \$60,000 which included a 33 percent contingency. The work was successfully completed in five days and the final invoice was for \$43,008.88.

Mr. Iacullo moved the Resolution ratifying the actions of the Executive Director in executing a construction contract required for emergency grouting of voids adjacent to existing piezometers on the

Spruce Run Dam. Mr. Picco seconded the 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

Robert Barth of the D&R Canal Watch commended the presentation on the Canal Capital Dredging Project given by Mr. Brooks and others at the D&R Canal Commission meeting. Mr. Barth distributed the schedule of activities for the D&R Canal Watch and highlighted a hike scheduled for May 21, 2016. Mr. Barth also distributed a flyer for the Waterloo Canal Days event in Sussex County on June 25, 2016.

Charles Engler, representing the Friends of Spruce Run, commented that he is impressed with the high water level of the Spruce Run Reservoir and commended the Authority.

EXECUTIVE SESSION

There was no need for an Executive Session.

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

I hereby certify this to be a true and original copy of the May 2, 2016 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman
Michelle Rollman
Administrative Assistant