



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

October 4, 2021

A regular meeting of the New Jersey Water Supply Authority was convened on October 4, 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, Linda Ofori, Assistant Director, Division of Water Supply, 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: Linda Ofori, 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
Oleg Kostin, New Jersey American Water
Frank Marascia, New Jersey American Water

Authority Staff Present:

Marc Brooks, Executive Director
Susan Buckley, Director, Finance and Administration
Darin Shaffer, Chief Engineer
Kenneth Klipstein, Director of Watershed Protection
Rita Shaw, Controller
Chris Sotiro, Contracts and Risk Manager
Julie Shelley, Property & Permit Administrator
Dorota Neulinger, Principal Accountant
Michelle Rollman, Finance and Accounting Analyst
Kathrine Hunt, Deputy Attorney General
Jeffrey Nielsen, Governor's Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Ofori asked for a motion for approval of the Minutes of the September 13, 2021 meeting. Mr. Picco moved the motion approving the Minutes as prepared and the motion was seconded by Mr. Havens. The Minutes of the September 13, 2021 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks stated that the remnants of Hurricane Ida came through New Jersey just over a month ago. Much of the Authority staff, primarily Canal employees, are still working long hours to remove sediment from the Canal and cleaning debris. Some non-emergency damage was also noted near Prallsville and at 10-Mile Culvert. The Authority is working through the FEMA guidelines.

Mr. Brooks stated that the Authority continues to follow all guidance from the Governor's office with respect to COVID-19. Starting October 17, all staff members will either have to show proof of vaccination or proof of negative COVID-19 test results on a weekly basis.

Mr. Brooks noted that rainfall recorded at the Spruce Run gage for September was 8.35 inches which was 4.42 inches above average for the month and 8.66 inches above average for the year. Rainfall recorded at Manasquan for September was 3.74 inches which was 0.19 inches below average for the month and 7.6 inches above average for the year.

COMMUNICATIONS/CORRESPONDENCE

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

UNFINISHED BUSINESS

Mr. Brooks stated that everyone has a copy of the written operations report for the Manasquan Water Treatment Plant/Transmission System and offered to answer any questions, of which there were none.

Mr. Shaffer reported on the Raritan Basin System operations. Mr. Shaffer stated that everyone has a copy of his written report. Mr. Shaffer stated that as of today, Spruce Run is at 99.6 percent of capacity. Round Valley is drawn down for the rehabilitation project and is at elevation 360.0 or 65.8 percent of capacity. The combined reservoir capacity is 71.4 percent. The typical combined capacity for this date is 88.7 percent.

Mr. Shaffer reported that Canal operations are returning to normal. Recovery work from damage caused by the remnants of Hurricane Ida continues, but good progress has been made to date. Restoration of eroded canal embankment around the South Bound Brook spillway and the 6 Mile Run Culvert was deemed emergency work and was contracted as such with the approval of the Capital Projects Committee. Mr. Shaffer stated that the work was successfully completed last week, under budget, and that he expects to present a memo and resolution to ratify the actions of the Executive Director for consideration at the next Board meeting.

Mr. Shaffer reported on the Round Valley Reservoir Dams Rehabilitation and Resource Preservation Project. Mr. Shaffer stated that the contractor has completed earthfill placement on the Dike and topsoil placement is scheduled to begin this week. Mr. Shaffer also noted that the sub-contractor continues major earthwork on the North Dam. Earthfill placement is continuing at the toe of the dam and the chimney drain filter installation is continuing up the embankment slope.

Mr. Shaffer stated that the contractor is finalizing preparations for the start of excavation at the South Dam which is anticipated to start soon. Abandonment of the low level outlet pipe has been delayed by a small leak observed to be coming from the blind flange at the reservoir end of the pipe. Mr. Shaffer noted that a diving subcontractor has been working on rehabilitation of the South Dam tower sluice gates and the repair of a leak through a cold joint in the concrete wall near the bottom of the structure.

Mr. Shaffer discussed the South Branch Pump Station Pump rehabilitation and equipment upgrades. The engineering consultant has evaluated the four existing pumps and motors which are to be rehabilitated during the initial phase of this project. Authority staff has reviewed and commented on a schematic design report and this phase of the project has now entered final design.

Mr. Shaffer discussed the Spruce Run Administration Building Fuel Island Rehabilitation. The contractor has installed most of the physical components including the containment sumps, concrete pad, fuel dispensers and new electrical panel. Additional upgrades to the electrical system and the Veeder Root tank gauging system are underway. This project is expected to be completed this fall.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that everyone has a copy of his report and that he had nothing additional to discuss. Mr. Klipstein offered to answer any questions.

NEW BUSINESS

Mr. Sotiro provided the background information on the resolution authorizing the execution of an Insurance Agent/Broker Services Agreement. Mr. Sotiro stated that this procurement is done on a three-year cycle. The solicitation was made consistent with standard procedures for the procurement of professional services on July 16, 2021.

Mr. Sotiro noted that two technical proposal packages were received on August 12, 2021, which were both evaluated and ranked by the Authority's Selection Committee. The proposal from Willis of New Jersey, Inc. was ranked highest due to the firm's experience in water utilities, demonstrated experience in issues most essential to the Authority, and the firm's access to the Authority's critical property and excess liability markets on a direct basis rather than through secondary or wholesale brokers. With the approval of the Insurance Committee, Authority staff negotiated with the top rated firm, Willis, using the other proposal for comparison, which resulted in a reduction of the proposed fee, reflecting no increase over the expiring contract. Mr. Sotiro noted that the Authority requires that the broker be compensated on a fixed fee basis in lieu of receiving placement commissions, and that the broker shall be required to disclose all forms of compensation received by it or its intermediaries in connection with the placement.

Ms. Blew moved the resolution authorizing the Executive Director to execute a one-year contract, with two renewal options, with the firm of Willis of New Jersey, Inc. of Short Hills, New Jersey for the annual sums of \$42,000, \$40,000 and \$40,000, for insurance brokerage services associated with the Authority's 2022, 2023 and 2024 insurance program. Mr. Iacullo seconded the motion for the resolution. All Authority members approved the resolution.

Mr. Klipstein provided the background information on the resolution accepting Stormwater Mitigation Proceeds from the Delaware and Raritan Canal Commission for the purpose of implementing water quality improvement projects for the Delaware and Raritan Canal. Mr. Klipstein described the Promenade at Somerset townhome development project, size and location. The developer cannot meet stormwater infiltration standards and applied to the D&R Canal Commission for a permit and waiver. The D&R Canal Commission granted a modified permit conditional to a payment of \$86,767.76 to a mitigation fund for water quality improvement projects. Mr. Klipstein stated that the D&R Canal Commission asked the Authority if there was a water quality improvement project need in the same watershed management area as the proposed project. Authority staff identified several

projects in the Cedar Grove Brook watershed and recommend that the Authority accept the proceeds to be applied accordingly.

Mr. Havens moved the resolution authorizing the Executive Director to accept Stormwater Mitigation proceeds in the amount of \$86,757.76 from the "Trust Under Article 6 u/w/o Sigmund Sommer and Levin Properties" as required by the D&R Canal Commission permit for the purpose of implementing Cedar Grove Brook water quality improvement projects, as chosen by the Authority, located in the D&R Canal drainage area. Ms. Blew seconded the motion for the resolution. All Authority members approved the resolution.

Ms. Shelley provided the background information on the resolution authorizing the Executive Director to dispose of 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 March of 2020 the Board authorized the execution of a contract for the sale of the Authority's fee simple interest in an encroached portion of an Authority lot which contains a segment of the Round Valley Force Main. Ms. Shelley described the lot and the adjacent pond and dam encroachment. The proposed resolution will allow the Executive Director to execute closing documents which will be reviewed by the Deputy Attorney General for the Authority.

Ms. Blew moved the resolution authorizing the Executive Director to sign the appropriate documents to dispose of the Authority's fee simple interest in a 0.117-acre portion of Block 25, Lot 17, Clinton Township, Hunterdon County. Mr. Picco seconded the motion for the resolution. All Authority members approved the resolution.

COMMITTEE REPORTS

- (a) Personnel - no report
- (b) Finance - Mr. Brooks stated that the Finance Committee met earlier in the day. Staff presented the rate proposals for fiscal year 2023. The rates will be presented to the Board at the November meeting. Mr. Brooks noted that the rate proposals for fiscal year 2023 contemplate no change to the current rates.
- (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

Frank Marascia introduced himself as a representative of New Jersey American Water. In response to a question by Mr. Marascia, Mr. Brooks stated that there were only modest setbacks to the work at Round Valley due to the remnants of Hurricane Ida. Mr. Brooks offered to review other effects of the storm with Mr. Marascia outside of this meeting.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Mr. Havens moved to adjourn the meeting. Ms. Blew seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:20 P.M.

I hereby certify this to be a true and original copy of the October 4, 2021 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman
Michelle Rollman
Finance and Accounting Analyst