



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the New Jersey Water Supply Authority

October 5, 2020

A regular meeting of the New Jersey Water Supply Authority was convened on October 5, 2020 at 2:00 P.M. by teleconference.

As designated by Catherine R. McCabe, 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
Steven Picco
Ellsworth Havens
Robert Iacullo
Susan Blew

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Robert Barth, D&R Canal Watch
Oleg Kostin, New Jersey American Water
David Brogle, Middlesex Water

Authority Staff Present:

Marc Brooks, Executive Director
Susan Buckley, Director, Finance and Administration
Darin Shaffer, Chief Engineer
Paul McKeon, Dir. Manasquan Water Supply System/D&R Canal
Kenneth Klipstein, Director of Watershed Protection
Rita Shaw, Controller
Chris Sotiro, Contracts and Risk Manager
Dorota Neulinger, Principal Accountant
Michelle Rollman, Finance and Accounting Analyst
Kathrine Hunt, Deputy Attorney General
Rudy Rodas, Governor's Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Hoffman asked for a motion for approval of the Minutes of the August 3, 2020 meeting. Ms. Blew moved the motion approving the Minutes as prepared and the motion was seconded by Mr. Picco. The Minutes of the August 3, 2020 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks stated that to date, the Authority has had only one employee who tested positive for Covid-19. This employee works at the Canal Field Office, was asymptomatic throughout his quarantine period and has returned to work.

Mr. Brooks stated that each Authority office is different by nature with respect to COVID-19. The small numbers of office staff at Manasquan and the Canal Office allow them to all be back in their offices and maintain safe social distancing. There are typically five to ten members of staff at the Clinton office each day. The operations and maintenance staff is fully back to work Authority wide. Arrival and lunch times are staggered to promote social distancing. The Authority has now instituted a policy that allows two people per vehicle which has improved work productivity.

Mr. Brooks noted that Executive Orders continue to permit all of the Authority construction projects to continue.

Mr. Brooks stated that, due to some technical issues with the public notice, the Authority is rescheduling the hearing for the uninterruptible water supply contract with Trump National Golf Course from October 9 to sometime later in October. Details will be in the notice.

COMMUNICATIONS/CORRESPONDENCE

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

UNFINISHED BUSINESS

Mr. McKeon provided the operations report for the Manasquan Water Treatment Plant/Transmission System. Mr. McKeon stated that everyone has a copy of his report. Mr. McKeon noted that operations are running smoothly at the Manasquan Reservoir and at the Water Treatment Plant. Rainfall has recently been below average. Blue-green algal blooms at the reservoir have persisted

for over a month, but sample analysis for cyanotoxins have shown results below detection limits and/or below any draft NJDEP/USEPA health advisory thresholds. The SMMUA Water Treatment Plant has primarily been running on river water during this time, therefore drinking water has been unaffected. Mr. McKeon anticipates the bloom may subside as temperatures drop and the water turns over in the reservoir, which may occur later this year than usual.

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 elevation 269.0 or 85.1 percent of capacity. Round Valley is drawn down for the rehabilitation project and is at elevation 360.3 or 66.2 percent of capacity. The combined reservoir capacity is 69.4 percent. The typical combined capacity for this date is 88.6 percent.

Mr. Shaffer reported that Canal operations are normal. Maintenance activities are prioritized and coordinated each day, and using staggered start times, staff is operating at normal capacity while maintaining social distancing.

Mr. Shaffer reported on the Canal Dredging Project. Dredging in Reach 5 is complete. Dredging in Reach 6, which is the final Reach, began in early September and is projected to be completed in November. The contractor and the Authority engineering consultant are closely monitoring progress and looking for opportunities to expedite completion of the remaining dredging work.

Mr. Shaffer reported on the Round Valley Reservoir Dams Rehabilitation and Resource Preservation Project. The Round Valley Grouting project is complete. The project has an outstanding change order that the Authority continues to negotiate. A tentative agreement has been reached between the contractor and staff which Mr. Shaffer anticipates will be presented to the Board at the next meeting. Mr. Shaffer stated that the South Dam intake tower dredging project is complete.

The embankment rehabilitation work has been focused on the Dike. Major excavation at the Dike was completed in August. Earthwork at the Dike was subject to some construction delays following tropical storms in August. Authority staff, the consulting engineer, and the contractor are working to find the most advantageous path to completion. Mr. Shaffer discussed other project elements and stated that County Rt. 629 remains closed to all traffic and the public within the project area between the Dike and Old Mountain Rd.

Mr. Shaffer discussed the dredging of the intake pond at the

South Branch Pump Station. The contractor has removed all accumulated sediment from the pond except that which is integral to the cofferdam. All excavated sediment has been hauled to an approved off-site facility. It is expected that the cofferdam and remaining sediment will be removed and trucked off site this week. Demobilization and final site restoration is expected to be completed over the next two weeks.

Mr. Shaffer stated that an engineer was procured to design permanent repairs following emergency repairs on two recent occasions at the 6-Mile Run culvert in Franklin Township. Mr. Shaffer reviewed a dye test that was performed in the canal last June in lieu of an internal inspection of the culverts. The test did reveal some leakage from the canal, though the source of the leakage was somewhat inconclusive. A second dye test was conducted September 28 and divers were able to pinpoint several locations where the leakage was occurring. Investigation and design of repairs is on-going.

Mr. Shaffer stated that past high flow events in the Raritan River have caused erosion and damage to the embankment at the right abutment of the Island Farm Weir. A consulting engineer developed a set of plans to repair and armor the embankment and obtained the required approvals and permits. Mr. Shaffer stated that the construction contract was signed last week and that construction will begin at the end of October.

Mr. Shaffer noted that one change order is described 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 highlighted the receipt of notification from the New Jersey Department of Environmental Protection that the \$80,000 watershed restoration grant proposal for the Spruce Run Watershed Restoration and Protection Plan was approved. Mr. Klipstein discussed aspects of the plan which will help the Authority to further understand the cyanobacteria and other dynamics of the reservoir and its surrounding watersheds.

NEW BUSINESS

Mr. Picco provided the background information on the resolution accepting the audit prepared by Mercadien, P.C. Certified Public Accountants, for the year ended June 30, 2020. Mr. Picco stated that the Audit Committee met earlier in the day with the accountants who presented the audit document. Mr. Picco stated that the audit includes an unmodified, clean opinion. Mr. Picco noted that Mercadien worked with staff remotely for the first time due to COVID-19 and that the process went smoothly.

The Audit committee recommends approval of the resolution.

Mr. Picco moved the resolution to accept the audit report prepared by Mercadien, P.C. for the fiscal year ended June 30, 2020 and to authorize that the final report be posted on the Authority's website and distributed to all interested parties. Mr. Havens seconded the motion for the Resolution. All Authority members approved the resolution.

Mr. Sotiro provided the background information on the resolution ratifying and authorizing the renewal of a Risk Management Consulting Services Agreement. Mr. Sotiro stated that at its August 6, 2018 meeting, the Authority adopted Resolution No. 2354, authorizing the execution of a contract with Albert Risk Management Consultants ("ARMC") of Needham, Massachusetts for risk management services for a one year period in an amount not to exceed \$33,000, for program review and remarketing, with options to renew for two consecutive one-year periods for general management consulting services. Last year, the contract was amended twice; first by \$15,000 for additional services for the Round Valley rehabilitation project; and again by \$45,000 for the first one-year contract renewal for the period of October 2019 to September 2020. The renewal allowed ARMC to continue to provide risk management consulting services to the Authority for the second program year and assist the Authority in the placement of the March 2020 insurance program, as contemplated by the initial contract.

Mr. Sotiro stated that in September 2020, ARMC submitted the second one-year renewal cost proposal for the period of October 2020 to September 2021 in an amount not to exceed \$45,000 to assist the Authority in the placement of its March 2021 insurance program and provide risk management consulting services to the Authority through the program year. The total fee agreement would be amended to a reimbursable cost not to exceed amount of \$138,000 for the period of October 1, 2018 through September 30, 2021.

Ms. Blew moved the Resolution authorizing the Executive Director to execute an amendment to its Risk Management Consultant Services Contract with Albert Risk Management Consultants of Needham, Massachusetts for the third program year for a reimbursable cost not to exceed amount of \$45,000 for general risk management consulting services, resulting in an amended total fee agreement of \$138,000 for the period of October 1, 2018 through September 30, 2021. Mr. Iacullo seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. McKeon provided the background information on the

resolution authorizing the Second Amendment to the New Jersey American Water Company, Inc. ("NJAW") Water Purchase Contract. Mr. McKeon stated that in 2014, the Authority executed Contract Amendment No. 1 increasing the diversion limitation at Oak Glen to 12.5 MGD between the months of June and August, to help NJAW during high summer demand periods while keeping the annual average diversion delivery at 7.5 MGD. Certain daily restrictions were provided in the amendment. The Authority upgraded some pump controls and equipment in order to alleviate the necessity of some of those daily restrictions. The Authority completed the upgrades in 2018 and subsequent to the modifications, NJAW has requested the elimination of the restrictions. The proposed amendment would eliminate most of the restrictions and clarify the total contract volume to reflect the 2017 purchase by NJAW of the Shorelands Water Company and all of Shoreland's corporate obligations, including its contractual raw water purchase agreement.

Ms. Blew moved the Resolution authorizing the Executive Director to execute a contract Amendment No. 2 with New Jersey American Water to increase the point of delivery withdrawal from Oak Glen Water Treatment plant and to remove specific operating restrictions from the water purchase contract. Mr. Iacullo 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 2022. The rates will be presented to the Board at the November meeting. Mr. Iacullo noted that the rate proposals for fiscal year 2022 contemplate no change to the current rates.
- (c) Audit - Report provided with the Audit Acceptance Resolution.
- (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 introduced himself as a member of the D&R Canal Watch. In response to a question by Mr. Barth, Mr. Shaffer confirmed that it is the intent of the Authority to fully complete the Canal Dredging Project by the end of November, 2020.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Mr. Picco moved to adjourn the meeting. Mr. Havens seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:29 P.M.

I hereby certify this to be a true and original copy of the October 5, 2020 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman
Michelle Rollman
Finance and Accounting Analyst