



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the
New Jersey Water Supply Authority
June 3, 2024

A regular meeting of the New Jersey Water Supply Authority was convened on June 3, 2024 at 2:00 P.M. via 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 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: Linda Ofori, Acting Chair
Susan Blew
Ellsworth Havens
Robert Iacullo

Absent: 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

Marc Brooks, Executive Director
Susan Buckley, Director Finance and Administration
Stephen Gates, Chief Engineer
Paul McKeon, Director Manasquan Water Supply System/D&R Canal
Kenneth Klipstein, Director Watershed Protection Programs
Julie Shelley, Manager, Contracts and Risk Management
Dorota Neulinger, Principal Accountant
Heather Desko, Principal Watershed Protection Specialist
Robin Greg, Finance & Accounting Analyst
Jared Berger, Geospatial Analyst
Kathrine Hunt, Deputy Attorney General
Laura Wilton, Associate Counsel, Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Ofori opened the meeting by asking for the approval of the minutes of the May 6, 2024 meeting. Mr. Iacullo moved for the approval of the minutes as prepared, and this motion was seconded by Ms. Blew. The minutes of the May 6, 2024 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks stated that everybody has a copy of his report. Mr. Brooks stated that in Clinton, May precipitation was 4.24 inches, which was 0.15 inches above average.

Mr. Brooks stated that as of yesterday, the combined storage for Round Valley and Spruce Run was at 98.6 percent of capacity, compared to a combined historic average storage of 94.9 percent for that date. Mr. Brooks noted that May rainfall in Manasquan was 3.49 inches, which was about 0.4 inches below average for May. The Manasquan Reservoir storage level as of this morning is 96.9 percent of capacity.

Mr. Brooks discussed that from earlier reporting, there was a 4.6 Magnitude earthquake near Clinton area dams on April 5. Mr. Brooks noted that there have been over 170 smaller earthquakes since that date including two over the weekend, 1.8 Magnitude and 1.0 Magnitude, and one this morning which was 1.6 Magnitude.

Mr. Brooks stated that with the decrease in frequency and magnitude, Authority staff, in consultation with the NJDEP Bureau of Dam Safety, ended the Dam Advisory condition for the five dams in Clinton on May 20. Staff responded to a 2.9 Magnitude earthquake on May 24 by having engineers inspect the dams. Mr. Brooks noted that going forward, inspections by engineers are triggered by any earthquake in exceedance of 2.5 Magnitude within 30 miles of the structures or by an earthquake felt at the Administration Building.

Mr. Brooks stated that he was pleased to announce that the Authority has been informed by the New Jersey Office of Emergency Management that the Authority is the recipient of a Building Resilient Infrastructure and Communities (BRIC) grant. The Federal Emergency Management Agency (FEMA) obligated the subgrant award on April 16, 2024. Funding has been made available in an amount not to exceed \$22,571,166.63. Mr. Brooks further explained that this represents an approximate 70 percent to 30 percent share of costs, with FEMA representing 70 percent and NJWSA representing 30 percent. This is based on the project estimate at the time of application.

Mr. Brooks noted that the Authority should be in line for the full amount of the grant, which is \$22.5 Million. The balance of project costs will be financed through the I-Bank. Mr. Brooks commended Authority staff for this great accomplishment. Mr. Brooks stated that a resolution seeking Board approval of the grant will be presented later in the meeting. Mr. Brooks offered to answer any questions.

COMMUNICATION/CORRESPONDENCE

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

UNFINISHED BUSINESS

Mr. McKeon reported on the Manasquan Reservoir System and the Manasquan Water Treatment Plant/Transmission System. He noted that the reservoir is at 96 percent of storage capacity and that the Authority did a lot of pumping in May to keep the reservoir full going into the summer. Mr. McKeon stated that rainfall in May was below normal and also very sporadic, which may have been beneficial for getting good water to pump. The plant has been running with no anomalies and relying on the good quality river water, with no treatment malfunctions. Mr. McKeon offered to answer any questions.

Mr. Gates reported on the Raritan Basin System. Mr. Gates stated that everyone has a copy of his report. Mr. Gates noted that the Raritan Basin continues to be in good condition for this time of year and that Spruce Run Reservoir is at elevation 273.0 feet, which is full, at 100 percent capacity of 11 billion gallons. Round Valley Reservoir is currently at elevation 383.9 feet, which is just over one foot below full pool, resulting in approximately 54 billion gallons of stored water, or 98 percent of storage capacity.

Mr. Gates stated that Canal operations are currently normal, with staff focusing on mowing and routine monitoring and maintenance operations.

Mr. Gates reported on the Round Valley Project. Mr. Gates stated that while work on the embankments is essentially complete, the contractor continues to remove temporary facilities and restore areas affected by construction activities. They are also continuing to work through ancillary and outstanding contract items.

Mr. Gates reported on the Spruce Run Dam Foundation Grouting Project, stating that while Authority staff continues to work through permitting and financing application reviews, the Authority has received approval from NJDEP to advertise for contractor pre-qualification. Requests for qualifications were posted to the

Authority website on Monday May 20, and advertised in four newspapers on Thursday May 23.

Mr. Gates reported on the South Branch Pump Station Pump Rehabilitation and Equipment Upgrades. Mr. Gates stated that after Board approval in April, the Authority entered into a contract with Allied Construction for the replacement of the existing traveling water screens. Subsequently, Allied Construction has visited the site to obtain critical measurements for equipment submittals to be reviewed by Authority staff and the consultant. A preconstruction meeting has been scheduled for Wednesday, June 5. Mr. Gates noted that substantial completion is approximately six months from the notice to proceed, which puts the Authority on schedule to be ready for a winter pumping season, if needed.

Mr. Gates discussed the rehabilitation of the four pump and motor assemblies at the South Branch Pump Station, stating that the contractor has completed the dismantling and inspection. Authority staff and the consultant have reviewed the information and determined that additional work beyond the original scope is needed, that could not have been fully understood until after disassembly and inspection. Mr. Gates noted that a resolution for this change order will be presented later in the meeting.

Mr. Gates reported on the Six Mile Run Culvert Rehabilitation Project. Mr. Gates noted that while permit restrictions associated with the project preclude the contractor from performing any in-water work before July 1, they anticipate re-mobilizing to the site in mid-June to get a head start on preparation work that can be performed outside of the water. The work that remains is mostly on the historic stone headwall on the outlet side of the culvert.

Mr. Gates reported on the Replacement of 11 Sluice Gates along the D&R Canal. Mr. Gates noted that the project is going well, with the contractor having finished replacement of the two scheduled sluice gates at South Bound Brook Lock and relocated to the 5-Mile Lock to work on the three gates slated for replacement there. As of today, they have completed 3 out of 11 total gates on the project.

Mr. Gates stated that there is a change order presented in his report for Thalle Construction for the Round Valley Earthen Dam Rehabilitation project. This change order was approved by the Capital Projects Committee on April 30, 2024. Mr. Gates offered to answer any questions.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that everyone has a copy of his report and that he wanted to highlight some important milestones that were reached in early May. The State of New Jersey Aquatic Invasive Species

Management Plan was approved by the Federal Aquatic Nuisance Species Task Force. The Authority and Heather Desko, in particular, deserve significant credit for spearheading this accomplishment.

Mr. Klipstein noted that the Authority's boat steward's program is an example of a model program designed to stop the spread of invasive species. The Authority has partnered with New Jersey State Parks at Spruce Run for the fourth year, Monmouth County Parks at Manasquan for the sixth year, and New Jersey Fish and Wildlife at Round Valley for the second year. Mr. Klipstein explained that the stewards are hired seasonally and that they educate, inspect and survey boaters at these three waterbodies every weekend from Memorial Day through Labor Day.

Mr. Klipstein stated that since Memorial Day weekend, 454 total surveys were conducted across the three reservoirs, with 65 percent being motorboats. Two thirds of boaters have been surveyed during previous visits, with a high percentage of survey respondents being aware of the dangers of aquatic invasive species. Mr. Klipstein explained that aquatic invasive species were intercepted on three launching boats which included Curly Leaf Pondweed, Eurasian Watermilfoil, and Water Chestnut at Round Valley, and Hydrilla at Manasquan. The launching boats' origins are also tracked for further coordination. Eurasian Watermilfoil was stopped on two boats leaving Spruce Run Reservoir.

Mr. Klipstein noted that last year two boat cleaning stations were obtained through a grant and that the Spruce Run cleaning station has been used over 40 times since it was put into use in late May. The Manasquan boat cleaning station has been used 59 times since it was put into use in April. Mr. Klipstein added that across the three reservoirs, the most frequently caught fish species were largemouth bass followed by smallmouth bass and then sunfish. Mr. Klipstein offered to answer any questions.

NEW BUSINESS

Ms. Neulinger provided the background information on the unaudited financial statements for the nine months ending March 31, 2024. Ms. Neulinger noted that bond resolution requires the Authority to prepare and distribute unaudited financial statements to interested parties within 45 days of the end of each quarter. Ms. Neulinger stated that the financial statements have been distributed to all interested parties and are available on the Authority website. Ms. Neulinger noted that no Board action was required.

Ms. Neulinger stated that the financial statements show favorable results of operations for the nine months ending March 31, 2024. There is net income of \$8.5 million compared to \$10.7 million

for the same period last year. Operating expenses at March 31, 2024, totaling \$20.6 million, are slightly above budget at 78.2 percent of total budgeted expenses for the fiscal year and are 9.7 percent higher than the same time last fiscal year due to increases in operations and maintenance expenses and fringe benefits expense. Non-operating revenue at March 31, 2024 increased by 40.6 percent to \$4.7 million due to an increase in Interest Income offset by a decrease in grant revenue. Non-operating expenses at March 31, 2024 increased 272.6 percent to \$2.2 million due to an increase in the interest component of debt service and costs incurred in the final closing of the Round Valley NJIB 2023 loan. Ms. Neulinger offered to answer any questions.

Ms. Shelley provided the background information for the resolution authorizing the Executive Director to execute an agreement with the State of New Jersey, Office of Emergency Management for a FEMA Flood Mitigation Assistance Grant for the Spruce Run Reservoir Dam Grouting Project. Ms. Shelley noted that Mr. Brooks had already explained much of the agreement during his introduction.

Ms. Shelley stated that the Authority applied for a competitive grant from the FEMA Flood Mitigation Assistance Building Resilient Infrastructure and Communities program to offset costs associated with the Spruce Run embankment grouting project. On April 17, the Authority received notification that its request for BRIC funding was approved.

Ms. Shelley explained that Staff is seeking authorization to enter into a contract agreement with the New Jersey Office of Emergency Management, who administers the grant, to proceed with this project following approval of the agreement by its Deputy Attorney General.

Mr. Iacullo moved the resolution authorizing the Executive Director to enter into a contract agreement with the State of New Jersey, Office of Emergency Management for a FEMA Flood Mitigation Assistance Grant for the Spruce Run Reservoir Dam Grouting Project. Ms. Blew seconded the motion. All Authority members approved the resolution.

Ms. Desko provided the background information on the resolution authorizing the Executive Director to execute contract WSA-C24031 for analytical laboratory services for the NJDEP grant-funded project "Spruce Run Reservoir Characterization Plan". Ms. Desko stated that in September 2023, the Authority executed a grant agreement with the NJDEP for a project titled "Spruce Run Reservoir Characterization Plan." The project, funded by the Federal American Rescue Plan Act, Lake Stormwater Management Grant Program, was selected to receive

\$562,500 to perform a physical, chemical, and biological characterization of the Spruce Run Reservoir and its tributaries.

Ms. Desko noted that this reservoir characterization fills a critical data gap. Previous monitoring efforts have focused on reservoir tributary water quality characterization, but only in recent years has the Authority actively monitored the water quality of Spruce Run Reservoir as a result of the persistent and recurrent harmful algal blooms. Ms. Desko explained that an essential component of this project requires certified laboratory analysis of surface water samples from the reservoir and tributaries. Under the grant agreement, \$387,118 has been allocated for certified laboratory analysis tasks.

Ms. Desko stated that the Authority issued an Invitation for Bids (IFB WSA B24028) on March 13, 2024 for the laboratory analysis of surface water samples for the project, to which four (4) bids were received in response to the solicitation. The bid opening was on April 3, 2024 and the three lowest bids were evaluated for legal responsiveness and all bids were evaluated for technical responsiveness, specifically the laboratory's reporting limits for chemical parameters as stated in the IFB and the addendum. The bid was cancelled due to a lack of any technically and legally responsive bids.

Ms. Desko stated that the Authority issued an updated Invitation for Bids (IFB WSA B24031) on April 15, 2024 to which five (5) bids were received. The low bid in the amount of \$186,460 from ALS of Middletown, PA was legally responsive but not technically responsive. It did not meet all the specified laboratory reporting limits as required in the scope of work detailed in the IFB. The second lowest bid in the amount of \$189,680 from Eurofins Environment Testing, Philadelphia LLC of Horsham, PA was technically responsive and legally responsive.

Ms. Desko noted that staff recommends authorizing the Executive Director to award a contract for laboratory services to Eurofins Environment Testing, Philadelphia LLC of Horsham, PA in the amount of \$189,680. The funding for this work will be reimbursed under the NJDEP Grant Agreement for the Spruce Run Reservoir Characterization Plan.

Mr. Havens moved the resolution authorizing the Executive Director to enter into a contract WSA-C24031 for analytical laboratory services with Eurofins Environment Testing Philadelphia, LLC of Horsham, PA for an amount not to exceed \$189,680 in support of the NJDEP grant-funded project "Spruce Run Reservoir Characterization Plan". Ms. Blew seconded the motion. All Authority members approved the resolution.

Mr. Gates provided the background information on the resolution authorizing Change order No. 002 for additional repairs or modifications necessary for the rehabilitation of four of the main pumps for contract C23014 for the Rehabilitation of Pumps 4, 5, 7 and 8 at the South Branch Pumping Station, Hunterdon County, New Jersey. Mr. Gates stated that the South Branch Pumping Station, located along the South Branch of the Raritan River, is a vital part of the overall Raritan water supply system used to pump water from the South Branch to Round Valley Reservoir. The Pump Station has ten centrifugal pumps, each driven by a 2000 hp electric motor, and each capable of delivering 40 million gallons per day. Two pumps (1 & 6) were rehabilitated in 2015 as a pilot program for this rehabilitation work. Four pumps are currently removed for this project, and the remaining four are original and kept available for pumping to support the Round Valley Reservoir filling operations.

Mr. Gates stated that the contractor is tasked with removal, inspection, and rehabilitation of the four pump and motor assemblies and installation of the rehabilitated assemblies with additional work related to piping, valving, instrumentation, and testing and startup services. As part of the scope of work of the project, the contractor was responsible for providing written reports detailing any required repairs that needed to occur while the motors and pumps were disassembled. Mr. Gates noted that while basic rehabilitation efforts were included in the lump sum cost bid for rehabilitation, it was impossible to know, prior to disassembly and inspection, the full extent of potential repairs that were necessary. As a result, this portion of the proposed change order, in the amount of \$56,903, addresses the additional work necessary to complete rehabilitation of the four pumps addressed under this construction contract.

Mr. Gates explained that the second and smaller portion of the proposed change order addresses modifications to the type of shaft coupling required to connect the pumps to the drive motors. In addition to allowing for the transfer of power from the motor to the pump, this kind of coupling allows for degrees of freedom to address very slight misalignments that might exist between the output shaft of the motor and the input shaft of the driven pump. Vibration associated with even a very small misalignment between the shafts can result in significant wear and premature failure of rehabilitated or even new equipment. The selected couplings are currently in use in the other assemblies at the station and are of a robust design that has been shown to work well in our application. The additional cost for the four couplings is \$26,740.

Mr. Gates stated that the two components of the proposed change order result in a total cost increase of \$83,643 and a revised contract total of \$2,887,035. Authority staff and the Authority's engineering consultant have reviewed the contractor's pump condition

reports and proposals and find them to be reasonable and appropriate. As such, staff and our engineering consultant respectfully request approval of the proposed change order.

Ms. Blew moved the resolution authorizing the Executive Director to execute Change Order No. 002 with Longo Electrical Mechanical of Wharton, New Jersey, for construction services necessary for the Rehabilitation of Pumps 4, 5, 7, and 8 at the South Branch Pumping Station for a lump sum cost of \$83,643, increasing the total value of the contract to \$2,887,035.00. Mr. Havens seconded the motion. All Authority members approved the resolution.

COMMITTEE REPORTS

- (a) Personnel - no report
- (b) Finance - no report
- (c) Audit -

An Audit Committee meeting was held on June 3 at 1:00 p.m. to discuss pre-planning for the upcoming audit. Mr. Iacullo reported that field work will start soon and be finalized in July. A final report will be issued in the beginning of August at which time a meeting with Mercadien representatives will be held to go over the final result.

- (d) Public Participation - no report
- (e) Capital Projects -

A Capital Projects Committee meeting will be held on June 3 to discuss ongoing change order negotiations with Authority contractors.

- (f) Insurance - no report
- (g) Watershed Lands Acquisition - no report

PUBLIC COMMENT

There was no public comment.

ADJOURN

Mr. Havens moved to adjourn the meeting. Mr. Iacullo seconded the motion. All Authority members approved the motion. The meeting was adjourned at 2:33 P.M.

I hereby certify this to be a true and original copy of the June 3, 2024 New Jersey Water Supply Authority meeting minutes.

Robin Greg

Robin Greg
Finance & Accounting Analyst