



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the
New Jersey Water Supply Authority
May 6, 2024

A regular meeting of the New Jersey Water Supply Authority was convened on May 6, 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
Steven Picco

A quorum existed for the transaction of Authority business.

Interested Parties Present:

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
Rita Shaw, Controller
Dorota Neulinger, Principal Accountant
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 April 1, 2024 meeting. Mr. Picco moved for the approval of the minutes as prepared, and this motion was seconded by Mr. Havens. The minutes of the April 1, 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 rainfall recorded at the Spruce Run gage for April was 4.79 inches, which was just shy of an inch above average.

Mr. Brooks stated that the Authority's very successful pumping program started on November 26, 2023 and finished just over a week ago on April 26. Mr. Brooks noted that Steve Gates would provide more details on storage and pumping totals.

Mr. Brooks stated that as of this morning, the Spruce Run Reservoir is spilling and is at 100.7 percent capacity. Mr. Brooks also noted the combined storage for Round Valley and Spruce Run was at 98.4 percent of capacity, compared to a combined historic average storage of 94.1 percent for this date. The Manasquan Reservoir storage level as of this morning is 94.7 percent of capacity.

Mr. Brooks discussed that the Authority has had a busy few weeks with the earthquakes, noting that Steve Gates would provide details. The Authority has been doing a lot of dam inspections with over 160 earthquakes since the first one on April 5, with a magnitude of 4.6. The inspections did not reveal any dam safety related issues. Mr. Brooks stated the Authority received notification of a 1.9 magnitude earthquake occurring at 9:00 A.M. this morning.

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 in good shape regarding volume and algae counts. Mr. McKeon stated it had been a normal month regarding rain and that the plant has been running normally and on river water. He noted that the replacement of Granular Activated Carbon has been going well.

Mr. Gates reported on the Raritan Basin System. Mr. Gates stated that everyone has a copy of his report. The Raritan Basin continues to be in good condition for this time of year. Spruce Run Reservoir is full at the spillway elevation, and the Authority continues to release at a reduced rate since the completion of the Round Valley filling operation. On April 26, 2024, at 11:00 PM the South Branch Pumping Station was shut down, concluding the pumping season after having transferred approximately 13.6 BG of water to Round Valley Reservoir to raise the pool over 23 feet from construction elevation of 360 feet to current elevation of 383.67 feet. The end of the pumping season was coordinated to result in a pool elevation approximately 1.5 feet below full pool to allow some storage volume to accommodate rain events between now and the release season. The Round Valley design engineer continues to monitor instrumentation to evaluate the performance of the embankments and the new filter drain systems, with no concerns being identified.

Mr. Gates stated that Canal operations are normal for this time of year with staff performing routine maintenance on minor erosion and weather-related debris cleanup.

Mr. Gates provided an update on the emergency procurement for repairs to the sinkhole and leak that developed near the Workhouse Spillway. Mr. Gates stated that this project has been completed and Authority staff recently inspected the riverside slope, with river level having dropped sufficiently to see the temporary sandbag repair that was implemented after the sinkhole was discovered. The bank was mostly dry, with evidence of only minor seepage from the canal. While the repair appears to be largely effective, Authority staff is coordinating with the consulting engineer to provide final inspection and recommendations for additional, long-term seepage control measures that could be implemented, if warranted, which is included in their contract.

Mr. Gates reported on the magnitude 4.8 earthquake, not 4.6 as was noted by Mr. Brooks. On April 5, 2024, at 10:23 AM, a magnitude 4.8 earthquake occurred within five miles of our five High Hazard Dams belonging to the Spruce Run/Round Valley Reservoirs Complex. In response, the Authority activated the Emergency Action Plans and declared Dam Advisory Conditions for Spruce Run Dam, Round Valley South Dam, North Dam, and Dike, and No Name Dam 31, located along the access road to the South Branch Pump Station. The Authority's response was in accordance with New Jersey Dam Safety Standards that require automatic activation of an Emergency Action Plan following an earthquake with magnitude and proximity conditions met by this event.

Through regular consultation with NJDEP Bureau of Dam Safety, the Advisory remains in effect as of today, while aftershocks and residual seismic activity continues. To date there have been 162 earthquakes, including the original magnitude 4.8 on April 5. The dams have been, and continue to be, regularly inspected and their instrumentation monitored closely throughout the duration of the Advisory with no significant dam safety concerns having been identified.

Mr. Gates reported on the Round Valley Project, stating that the contractor continues to work through ancillary and outstanding work items since returning from winter shutdown. Remaining work includes finalizing site restoration, continuing to establish vegetation and erosion control measures, milling and paving, and mechanical and architectural improvements to the towers.

Mr. Gates reported on the South Branch Pump Station Pump Rehabilitation and Equipment Upgrades. Mr. Gates stated that with the conclusion of the pumping season, focus has shifted to preparing the station for the second phase of rehabilitation efforts. A resolution seeking approval to enter into a contract with Allied Construction for the replacement of the existing traveling water screens was presented to the board and approved at the April meeting. Contracts were subsequently prepared and issued to the contractor and the Authority is waiting for them to be signed and returned with the appropriate supporting documentation prior to issuing a notice to proceed.

Mr. Gates reported on the Spruce Run Dam Foundation Grouting, stating that the Authority is continuing to work through the permitting and New Jersey I-Bank financing application processes. Mr. Gates noted that the Authority expects to have approval to advertise for contractor pre-qualification submittals in the coming weeks.

Mr. Gates reported on the Six Mile Run Culvert Rehabilitation. Mr. Gates noted that the in-water work restrictions associated with the permit have begun and the contractor will not be able to resume until after July 1. The work that remains is mostly on the historic stone headwall on the outlet side of the culvert.

Mr. Gates reported on the D&R Canal Western Embankment Improvements, Phase I, Stockton. Mr. Gates noted the project has been completed as of Friday, April 26. Authority staff will continue to monitor the area in the coming weeks to ensure adequate establishment of vegetation along the embankment crest shoulders.

Mr. Gates reported on the Prallsville Culvert Pit Rehabilitation. Mr. Gates stated that the culvert pit is a historic open channel conveyance structure associated with the Prallsville Mill Complex. The proposed construction to repair a dry laid stone retaining wall damaged during Hurricane Ida required a Historic Sites Council determination. As detailed in the report, the Council recommended approval during the April 17 meeting, and we have since received final approval from the Assistant Commissioner of NJDEP Division of Community Investment and Economic Revitalization. With this approval in hand, the Authority is moving forward with final design and additional permitting associated with this project.

Mr. Gates reported on the Replacement of 11 Sluice Gates Along the D&R Canal. Mr. Gates noted that this project did not appear in his report, but has resumed between issuing the report and now. The project is the replacement of 11 sluice gates at four lock locations along the D&R Canal. The project involves the replacement of three gates at each of the Griggstown, Five-Mile, and Ten-Mile Locks and two gates at the South Bound Brook Lock. The contractor mobilized to the South Bound Brook Lock on April 24, and has begun preparing the first gate for replacement. The anticipated project duration is three months. 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. Mr. Klipstein stated that in April 2024, EPA announced the final Drinking Water Regulation of six PFAS compounds. Mr. Klipstein shared an overview of some of what the Authority is doing to prepare, noting it is complicated as PFAS are measured in ppt (parts per trillion) and there are a lot of these forever chemicals in the environment.

Mr. Klipstein stated that since last fall, the Authority has been engaged in bi-monthly coordination meetings focused on PFAS levels in the D&R Canal and the Raritan Source Water System. Participants include NJDEP, USGS, DRBC, New Jersey American Water, Middlesex Water, New Brunswick, North Brunswick and East Brunswick. These meetings focus on source trackdown efforts and encourage information sharing on best treatment methods. Mr. Klipstein stated that a share drive has been established for that purpose.

Mr. Klipstein stated that as part of this coordination effort, the Authority and DRBC collaborated on a trackdown effort using passive samplers. The samplers were deployed in March along the length of the Canal, retrieved on April 18, and sent to a laboratory for analysis of 40 PFAS compounds for each sampler. It is anticipated that this data will aid in creating site "fingerprints" that narrow down where PFAS sources are entering the Canal. Mr. Klipstein noted that the results are not expected until the fall.

Mr. Klipstein reported that in Manasquan, in addition to the quarterly compliance sampling, the Authority has been conducting additional monthly analysis on samples from the Manasquan River, the Reservoir and the treatment plant's point of entry. This has been ongoing since December 2023. The Authority is also reviewing a USGS proposal for a PFAS surface water trackdown study in the Manasquan River. That effort is expected to move ahead in the next few months. Mr. Klipstein noted that Mr. McKeon has more going on related to the treatment plant specifically.

Mr. Klipstein stated that recently NJDEP has invited the Authority to participate in a PFAS Water Working Group, which begins on Tuesday, May 14, 2024, and will meet virtually once a month. The general purpose of the meetings will be to discuss common PFAS water related and interrelated issues, and to ultimately develop guidance and policy that benefit both water and wastewater industry in navigating the implementation of PFAS regulations. Mr. Klipstein offered to answer any questions.

NEW BUSINESS

Ms. Buckley provided the background information for the resolution adopting revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan reservoir System, to become effective July 1, 2024 (regulations found at N.J.A.C. 7:11-4.4 et seq.) Ms. Buckley stated that the Board authorized the fiscal year 2025 Manasquan rate proposal at its November 6, 2023 Board meeting. The rate proposal was published in local newspapers during December 2023 and published in the New Jersey Register in January 2024. The Governor's office has approved the rate adoption. It is anticipated that the rate adoption will be published in the New Jersey Register in June.

Ms. Buckley stated that in the Manasquan System there is no change from the initial proposal and no change in rates from fiscal year 2024. There was one attendee at both the pre-public meeting and public hearing. The detailed Hearing Officer's report is available for review on the Authority website.

Mr. Iacullo moved the resolution adopting revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan reservoir System, to become effective July 1, 2024 (regulations found at N.J.A.C. 7:11-4.4 et seq.) Mr. Picco seconded the motion. All Authority members approved the resolution.

Ms. Buckley provided the background information for the resolution adopting revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System, to become effective July 1, 2024 (regulations found at N.J.A.C. 7:11-2.4 et seq.) Ms. Buckley stated that the Board authorized the fiscal year 2025 Raritan rate proposal at its November 6, 2023 Board meeting. The rate proposal was published in local newspapers in December 2023 and published in the New Jersey Register in January 2024. The Governor's office has approved the rate adoption. It is anticipated that the adoption will be published in the New Jersey Register in June.

Ms. Buckley stated that in the Raritan System, there is no change in the rate from the initial proposal, and no change in rates from fiscal year 2024. There were four attendees at the pre-public meeting and one attendee at the public hearing. The detailed Hearing Officer's report is available for review on the Authority website.

Mr. Iacullo moved the resolution adopting revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System, to become effective July 1, 2024 (regulations found at N.J.A.C. 7:11-2.4 et seq.) Ms. Blew seconded the motion. All authority members approved the resolution.

Ms. Buckley provided the background information for the resolution approving the Authority's Manasquan Reservoir Budget for Fiscal Year 2025 (July 1, 2024-June 30, 2025). Ms. Buckley stated that in addition to the budget document posted on the Authority website, Board packages include a detailed discussion of the Manasquan budget which supports the rates that were just approved. Ms. Buckley stated that the total proposed budget is increasing by 4.5 percent. The increase is due mainly to an increase in salary, fringe, and insurance expenses. Prior year overdrafts and favorable budget variances are being used to keep rates flat year over year.

Ms. Blew moved the resolution approving the Authority's Manasquan Reservoir Budget for Fiscal Year 2025 (July 1, 2024-June 30, 2025). Mr. Havens seconded the motion. All Authority members approved the resolution.

Ms. Buckley provided the background information for the resolution approving the Authority's Raritan Basin System Budget for Fiscal Year 2025 (July 1, 2024-June 30, 2025). Ms. Buckley stated that in addition to the budget document posted on the Authority website, Board packages include a detailed discussion of the Raritan budget which supports the rates that were just approved. Ms. Buckley stated that the overall budget is 5.9 percent higher than the fiscal year 2024 budget, caused primarily by increases in salary, fringe benefits, and insurance costs. Ms. Buckley stated that prior year

fund balances and overdrafts are being used to stabilize rates year over year.

Mr. Iacullo moved the resolution approving the Authority's Raritan Basin System Budget for Fiscal Year 2025 (July 1, 2024-June 30, 2025). Mr. Picco seconded the motion. All Authority members approved the resolution.

Mr. McKeon provided the background information for the resolution authorizing the award of a contract for the replacement of 40,000 pounds of Granular Activated Carbon at the Manasquan Water Treatment Plant, Wall Township, Monmouth County. Mr. McKeon stated that the Authority regularly schedules replacement of 40,000 pounds of granular activated carbon housed in two of the six contactors at the water treatment plant as part of its agreement with SMMUA.

Mr. McKeon stated that the SMMUA Board requested that the Authority alter the schedule to replace another 40,000 pounds of granular activated carbon as soon as possible to inform the results of a feasibility study being conducted to better address PFAS removal at the plant. This came in anticipation of federal regulations that are expected to go into effect later in 2024, resulting from the April 10, 2024 announcement from the EPA of the final National Primary Drinking Water Regulation (NPDWR) establishing Maximum Contaminant Levels (MCLs) for PFAS in drinking water.

Mr. McKeon noted the Authority advertised for bids for the replacement of granular activated carbon (GAC) at the Manasquan Water Treatment Plant in the Star Ledger, The Times (Trenton) and the Asbury Park Press on February 29, 2024. Notice of the Invitation for Bids was also posted on the Authority's website and on the New Jersey Business Opportunities website. Bid documents were emailed to eight bidders. Three bids were timely received and read at a public bid opening on March 27, 2024. The bid estimate was \$120,000 and one bid did not meet the requirement for the source of the carbon.

Mr. McKeon stated that the bids were reviewed for content, adherence to technical specifications and completeness. The low bid submitted by Carbon Activated Corporation of Blasdell, NY was found to be responsive and the Authority recommends the award of a contract to Carbon Activated Corporation of Blasdell, New York for the replacement of 40,000 pounds of granular activated carbon at the Manasquan Water Treatment Plant for a lump sum of \$84,000.00.

Mr. McKeon also discussed that this is a budgeted activity, requested to be completed by the Southeast Monmouth Municipal

Utilities Authority using surplus funds from prior years positive Operations budget variances.

Ms. Blew moved the resolution authorizing the Executive Director to enter into a contract with Carbon Activated Corporation of Blasdell, New York to furnish all labor, equipment and materials necessary for Granular Activated Carbon Replacement of 40,000 pounds at the Manasquan Water Treatment Plant, Wall Township, Monmouth County, New Jersey for a lump sum of \$84,000.00. Mr. Havens seconded the motion. All Authority members approved the resolution.

Ms. Shelley provided the background information for the resolution ratifying the Executive Director's placement of the Authority's March 1, 2024-February 28, 2025 Insurance Program. Ms. Shelley stated that on November 6, 2023, the Authority adopted Resolution No. 2601 authorizing the placement of insurance coverage effective March 1, 2024. On February 22, 2024, the Authority's Insurance Broker, Willis of New Jersey, Inc., obtained final proposals for all lines of coverage. Approval to bind coverage was obtained from the Insurance Committee Chair on February 27, 2024. The insurance program set forth in the enclosed resolution was selected through Willis with an effective date of March 1, 2024. The premium for the 2024 program is \$2,618,755, a \$347,512, or 15 percent increase relative to 2023.

Mr. Iacullo moved the resolution ratifying the Executive Director's placement of the Authority's March 1, 2024-February 28, 2025 Insurance Program, in the amount of \$2,618,755. Mr. Havens seconded the motion for the resolution. 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 - no report

PUBLIC COMMENT

Oleg Kostin, representing New Jersey American Water, stated that he would like to commend the Authority for filling the Reservoir quickly and noted that it is good to know there are 55 billion gallons of water if needed.

ADJOURN

Mr. Iacullo moved to adjourn the meeting. Mr. Picco seconded the motion. All Authority members approved 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 6, 2024 New Jersey Water Supply Authority meeting minutes.



Robin Greg
Finance & Accounting Analyst