



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
April 4, 2022

A regular meeting of the New Jersey Water Supply Authority was convened on April 4, 2022 at 2:00 P.M. via teleconference and in the Conference Room of the New Jersey Water Supply Authority's Clinton Administration Building, located at 1851 Route 31, Clinton, New Jersey.

As designated by Shawn M. LaTourette, 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
Robert Iacullo
Susan Blew
Ellsworth Havens
Steven J. Picco

A quorum existed for the transaction of Authority business.

Interested Parties Present:

Robert Barth, D&R Canal Watch
David Brogle, Middlesex Water
Frank Marascia, New Jersey American Water

Authority Staff Present:

Marc Brooks, Executive Director
Susan Buckley, Director Finance and Administration
Darin Shaffer, Chief Engineer
Paul McKeon, Director Manasquan Water Supply System/D&R Canal
Kenneth Klipstein, Director Watershed Protection Programs
Rita Shaw, Controller
Julie Shelley, Contracts and Risk Manager
Michelle Rollman, Finance & Accounting Analyst

Kathrine Hunt, Deputy Attorney General
Jeffry Nielsen, Associate Counsel, Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Jeffrey Hoffman opened the meeting by asking for the approval of the minutes of the February 7, 2022 meeting. Mr. Iacullo moved for the approval of the minutes as prepared and this motion was seconded by Mr. Picco. The minutes of the February 7, 2022 meeting were approved by the Board.

EXECUTIVE DIRECTOR'S REPORT

Mr. Brooks stated that everyone has a copy of his report. Mr. Brooks provided an update on COVID-19 at the Authority. Mr. Brooks stated that the Authority continues to follow all guidance from the Governor's office with respect to COVID-19. All staff has returned to work in the office on a full-time basis. The Authority has had zero cases of COVID since January 30.

Mr. Brooks stated that rainfall recorded at the Spruce Run gage for February was 3.06 inches which was 0.36 inches above average. Total rainfall for March at Spruce Run was 2.88 inches which was 0.81 inches below average. Rainfall recorded at Manasquan for February was 1.16 inches which was 2.97 inches below average. Rainfall in March was 2.98 inches or 1.24 inches below average.

COMMUNICATION/CORRESPONDENCE

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

UNFINISHED BUSINESS

Mr. McKeon reported on the Manasquan Reservoir System and the Manasquan Water Treatment Plant/Transmission System. Mr. McKeon stated that everyone has a copy of his reports. Mr. McKeon stated that everything has been normal in the Manasquan system. Mr. McKeon stated that the Manasquan Reservoir is 98 percent full and that water quality is good. Mr. McKeon noted that he had nothing additional to report and offered to answer any questions.

Mr. Shaffer reported on the Raritan Basin System. Mr. Shaffer stated that everyone has a copy of his report. Mr. Shaffer stated that as of this date, Spruce Run Reservoir is at 100.9 percent of capacity. Round Valley is drawn down for the rehabilitation project and will remain at or below elevation 360.8 for the project duration. As of this date, it is at elevation 360.5 feet or 66.4 percent of capacity. The combined reservoir capacity is at 72.2

percent while it is typically 92.7 percent for this date.

Mr. Shaffer stated that Canal operations are normal for this time of year. In addition to routine canal maintenance, recovery work from the damage due to the remnants of Hurricane Ida is continuing.

Mr. Shaffer reported on the Round Valley Reservoir Dams-Rehabilitation and Resource Preservation Project. Mr. Shaffer stated that the quarter mile long, 36-inch diameter, low level outlet pipe at the South Dam was decommissioned by filling it with cellular grout on March 23rd. Mr. Shaffer noted that this was a critical path item which was very challenging to complete. Major earthwork resumed at both the North and South Dams in mid-March. Backfill and filter drain installation is ongoing at the North Dam and excavation at the South Dam is continuing down the slope. Final site restoration of the Dike has also begun and is expected to continue through the spring and early summer.

Mr. Shaffer discussed the Landing Lane Spillway Project. Mr. Shaffer stated that the contractor received notice to proceed in July 2021, but the start of the project was delayed by a New Jersey Department of Transportation emergency construction project on Landing Lane Bridge that adversely affected the Authority's contractor's access to Landing Lane Spillway. This delay resulted in a change order request which will be presented for approval later in this meeting. The contractor has stated their intention to begin work in mid-April.

Mr. Shaffer reported on the Spruce Run Multi-disciplinary Project. The contractor has completed clearing the Spruce Run spillway discharge channel. Staff is now able to closely monitor the springs that are located in the channel for any changes that may be indicative of changes in the dam. The consulting engineer on this project is nearing completion of the final schematic design report for all other planned upgrades to the outlet works. Mr. Shaffer 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 a proposed project to develop a statewide aquatic invasive species management plan. Mr. Klipstein noted that New Jersey is one of only six states that does not have a coordinated aquatic invasive species management plan approved or in process. In February, the Authority asked the New Jersey Department of Environmental Protection ("NJDEP") to consider prioritizing the development of such a plan and the NJDEP agreed. Authority staff is collaborating with the NJDEP to submit a grant proposal by the April 8 deadline. With a federally approved New Jersey aquatic invasive

species management plan, the state will be eligible for federal funding to help address aquatic invasive species. In response to a question by Mr. Hoffman, Mr. Klipstein stated that the small grant program is offered by the Mid-Atlantic Panel on Aquatic Invasive Species. The NJDEP is requesting a \$15,000 grant towards plan development.

NEW BUSINESS

Mr. Picco provided the background information on the resolution authorizing the award of a contract to conduct the Annual Fiscal Audit for the fiscal year ending June 30, 2022. Mr. Picco stated that the current contract with Mercadien, P.C. has expired. Mr. Picco noted that Executive Orders outline the competitive bidding process to which two firms responded. The Audit Committee reviewed the proposals using established criteria in a blind-scoring process and determined Mercadien, P.C. to be the most technically qualified firm. Mercadien's fee proposal was also the lowest and was deemed reasonable. The Audit Committee voted to recommend that a contract be awarded to Mercadien, P.C. for the fiscal year 2022 annual financial audit.

Mr. Iacullo moved the resolution authorizing the Executive Director to enter into a contract with Mercadien, P.C. of Hamilton, New Jersey to conduct a financial audit of its records and accounts for the fiscal year ending June 30, 2022, perform arbitrage rebate calculations, conduct the Single Audit as necessary, and issue Agreed-Upon Procedures for a fee not to exceed \$57,975. Ms. Blew seconded this motion. All Authority members approved of this resolution.

Ms. Shelley provided the background information on the resolution ratifying the Executive Director's placement of the Authority's March 1, 2022 - March 1, 2023 Insurance Program. Ms. Shelley stated that on November 1, 2021, the Authority adopted Resolution No. 2514, authorizing the remarketing and placement of insurance coverage effective March 1, 2022. The Authority's Insurance Broker Willis of New Jersey, Inc. obtained proposals for all lines of coverage from current underwriters, and other insurers writing policies for utility markets. Authority staff and the Authority's Insurance Consultant Albert Risk Management evaluated all proposals for all lines of coverage from existing providers and new markets. Ms. Shelley stated that in accordance with the November 1, 2021 resolution, approval to bind coverage was obtained from the Insurance Committee Chair on February 28, 2022.

Ms. Shelley noted that Authority staff was notified by Willis in late February of new environmental liability underwriting guidelines which now consider the age of underground storage tanks

when insurers are providing coverage. Carriers have advised the Authority that two Authority heating fuel tanks, approximately 35 years old, will no longer be covered by standard policies due to the age of the tanks exceeding 30 years. Authority staff is pursuing alternative coverage options for the two tanks. In addition, Willis is working on obtaining new, stand-alone liability coverage for the Security department's drone surveillance initiative. The drone is not yet in service and will not be used until properly insured.

Ms. Shelley reviewed the premiums relative to the insurance budget and stated that staff will keep the Insurance Committee Chair informed regarding the two outstanding issues and finalized costs, and will subsequently report the same to the Board. In response to a question from Mr. Iacullo, Ms. Shelley stated that Willis of New Jersey received only one bid to cover the fuel tanks in the range of \$3,000 to \$4,000.

Mr. Havens moved the resolution ratifying the Executive Director's placement of the Authority's March 1, 2022 - March 1, 2023 Insurance Program. Mr. Picco seconded this motion. All Authority members approved of this resolution.

Ms. Shelley provided the background information on the resolution authorizing execution of a D&R Canal Transmission Complex utility lease amendment with Princeton University, known as Princeton 1. Ms. Shelley stated that Princeton University was granted a 20-year lease for an electrical conduit crossing under the Canal. The University has requested a single billing for the remaining ten years of the lease term. Ms. Shelley noted that this is not an unusual request.

Ms. Blew moved the resolution authorizing the Executive Director to execute a lease amendment with Princeton University for lease "Princeton 1" granting a final invoice. Mr. Iacullo seconded this motion. All Authority members approved of this resolution.

Ms. Buckley provided the background information on the resolution authorizing the Executive Director to negotiate and execute a contract with Ridge at Back Brook for renewal of uninterruptible service from the Raritan Basin System. Ms. Buckley stated that this is a standard contract renewal for the Ridge at Back Brook, a golf course in East Amwell, New Jersey. The golf club has a 0.123 mgd contract with the Authority that will expire on June 30, 2022. Water is used primarily for irrigation and the property's clubhouse and other buildings. The applicant has requested a ten year renewal of the contract, beginning July 1, 2022, consistent with the applicant's current Water Application Permit issued by the New Jersey Department of Environmental Protection. The public hearing was waived after no responses or objections were received

from any party.

Ms. Blew moved the resolution to approve the contract renewal application of The Ridge at Back Brook Golf Club subject to the standard conditions and limitations. Mr. Havens seconded the motion. All Authority members approved the resolution.

Ms. Buckley provided the background information on the resolution authorizing the Executive Director to negotiate and execute a contract with Princeton University - Plasma Physics Laboratory, for renewal of uninterruptible service from the Raritan Basin System. Ms. Buckley stated that this is a standard contract renewal for Princeton University Plasma Physics Laboratory, located in Princeton New Jersey. The laboratory has a 0.150 mgd contract with the Authority that will expire on September 30, 2022. Water is used for process cooling and fire protection. The applicant has requested a five year renewal of the contract, beginning October 1, 2022. The public hearing was waived after no responses or objections were received from any party.

Mr. Picco moved the resolution to approve the contract renewal application of Princeton University, Plasma Physics Laboratory, subject to the standard conditions and limitations. Mr. Iacullo seconded the motion. All Authority members approved the resolution.

Mr. Klipstein provided the background information on the resolution consenting to the proposed adoption of the KRE Mine Hill amendment to the Northeast and Upper Raritan Water Quality Management Plans. Mr. Klipstein stated that the amendment proposes the addition of 14 acres to the Rockaway Valley Regional Sewer Authority Sewer Service Area, while removing 16 adjacent Environmentally Sensitive Area acres from the Sewer Service Area. Mr. Klipstein noted that since the Authority has already reviewed and consented to the Morris County Water Management Plan in May 2020, the Authority has consented to the additional 80,500 GPD interbasin transfer from the Raritan Basin to the Passaic River Basin. Mr. Klipstein stated that this is considered a de minimis amount and is not a threat to the Authority's safe yield.

Mr. Havens moved the resolution consenting to the KRE Mine Hill Amendment to the Northeast and Upper Raritan Water Quality Management Plans. Mr. Picco seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Shaffer provided the background information on the resolution authorizing Change Order No. 001 to the construction contract WSA-C21023 for the Rehabilitation of the Landing Lane Spillway at Station 2999+50 of the Delaware and Raritan Canal, City of New Brunswick, Middlesex County, New Jersey. Mr. Shaffer stated

that the Board approved the award of construction contract WSA-C21023 to Grade Construction Company of Paterson, New Jersey last June, and the Notice to Proceed was issued on July 21, 2021. At about the same time as the notice to proceed, the New Jersey Department of Transportation ("NJDOT") initiated emergency repairs of the adjacent Landing Lane Bridge and closed the road. This closure was unforeseen by the contractor and Authority staff. The NJDOT work was directly adjacent to and infringed on the access to the spillway. This access was already considered to be somewhat challenging under normal conditions because of the small area to maneuver trucks and equipment.

Despite an initial NJDOT estimate that its project would take less than two months, the work was not completed until December 2021. Because the Authority project primarily involves concrete and stone masonry work, starting in December would have increased costs to compensate for cold temperatures and the cold temperatures could have adversely affected the quality of the finished product. It was mutually agreed by the Authority and the contractor to wait until spring to start the work.

Grade Construction submitted a Change Order request detailing increased costs associated with rising labor rates and material costs as a result of waiting 236 days to start the work. Authority staff negotiated that change order and Grade submitted a revised change order request for \$40,000.00 and an addition of 236 days to the contract. This change order will resolve all outstanding claims associated with the changed condition. The Capital Projects Committee, DAG Kathrine Hunt, and Jeffry Nielsen of the Governor's Authorities Unit were briefed on this proposed Change Order in early March. In response to a question from Mr. Hoffman, Mr. Shaffer stated that the NJDOT has finished working in the project area and they don't anticipate additional work in the near future.

Ms. Blew moved the resolution to authorize the Executive Director to execute Change Order No. 001 with Grade Construction Company of Paterson, New Jersey, for construction services necessary for the rehabilitation of the Landing Lane Spillway, adding 236 days and the lump sum amount of \$40,000.00 to the contract, increasing the total value of the contract to \$1,143,018.96. Mr. Picco seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Shaffer provided the background information on the resolution authorizing the renewal of a Purchase Order Agreement to conduct janitorial cleaning services at the Spruce Run Administration, Annex and Watershed Protection office buildings located at 1851, 1855 & 1859 Highway 31, Clinton, New Jersey. Mr. Shaffer stated that in November 2020, the Authority issued a Request

for Quotation to five janitorial cleaning service providers operating in the Clinton area consistent with Authority policy for procurements below the legal threshold. The Request for Quotations was for a one year period of service with the option to extend the service for up to two additional one year periods. The Authority subsequently entered into an Agreement with EnviroClean Janitorial Services LLC of East Brunswick, NJ for a total cost not to exceed \$31,080.00 for a twelve-month period.

The Authority has been satisfied with the janitorial services provided and requested that EnviroClean submit a cost proposal for renewing the purchase order agreement. EnviroClean submitted a proposal in March 2022 for a one year renewal with a total cost not to exceed \$32,580.00. The proposal for providing a second year of services has increased 4.9 percent over the prior year's fee. All other terms of the original contract will remain the same.

Mr. Iacullo moved the Resolution Authorizing the Executive Director to execute an amendment to the agreement with EnviroClean Janitorial Services LLC of East Brunswick, New Jersey, thereby renewing the agreement for one year at a cost not to exceed \$32,580.00, resulting in an amended total cost of \$63,660.00. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Shaffer provided the background information on the resolution authorizing the purchase of two Power Trac slope mowers for maintenance of the Raritan Basin Dams, Clinton Township, Hunterdon County, WSA-B22021. Mr. Shaffer stated that the Authority uses specialized slope mowers to safely maintain the dam slopes in the Raritan Basin. These mowers have a low center of gravity and a wide footprint for stability, an articulating deck and an operator seat that oscillates to keep the operator in an upright position while mowing on a steep slope. The Authority sought bids for one or two Power Trac model 1850 slope mowers with 90-inch cutting decks.

Advertisements for bids were published in the Star-Ledger and the (Trenton) Times as well as in the Hunterdon Democrat. Advertisements were also posted on the New Jersey Business Opportunities website and the Authority's website. Only one bid was received. Authority staff reviewed the bid by Hoffman International and found it to be legally and technically responsive.

Ms. Blew moved the resolution authorizing the Executive Director to issue a purchase order to Hoffman International Inc. of Piscataway, New Jersey in the amount of \$154,500.00 for the purchase of two Power Trac Model 1850 slope mowers. Mr. Havens 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 - no report

PUBLIC COMMENT

Mr. Marascia introduced himself as a representative of New Jersey American Water. Mr. Marascia asked if the Authority sustained any significant damage to its river assets due to the challenging winter and river ice flows that might impede the delivery of service to downstream customers. In response, Mr. Brooks and Mr. McKeon discussed damage to traveling water screens in Manasquan but indicated that this damage is being repaired and that there should be no effect on Authority customers.

In response to an additional question from Mr. Marascia, Mr. Klipstein discussed Authority efforts to understand and mitigate harmful algal blooms.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Mr. Iacullo moved to adjourn the meeting. Ms. Blew seconded the motion. All Authority members approved the motion. The meeting was adjourned at 2:40 P.M.

I hereby certify this to be a true and original copy of the April 4, 2022 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman
Michelle Rollman
Finance & Accounting Analyst