



## NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the  
New Jersey Water Supply Authority  
January 9, 2023

A regular meeting of the New Jersey Water Supply Authority was convened on January 9, 2023 at 2:00 P.M. via teleconference.

As designated by Shawn M. LaTourette, Acting 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  
Susan Blew  
Ellsworth Havens  
Robert Iacullo  
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  
Dorota Neulinger, Principal Accountant  
Kathy Hale, Principal Watershed Protection Specialist  
Heather Desko, Senior Watershed Protection Specialist  
Kyle Clonan, Watershed Protection Specialist  
Michelle Rollman, Finance & Accounting Analyst  
Jared Berger, Geospatial Analyst  
Kathrine Hunt, Deputy Attorney General

## APPROVAL OF THE MINUTES

Acting Chair Jeffrey Hoffman opened the meeting by asking for the approval of the minutes of the November 7, 2022 meeting. Mr. Picco moved for the approval of the minutes as prepared, and this motion was seconded by Mr. Iacullo. The minutes of the November 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 noted that the Authority continues to follow all guidance from the Governor's office with respect to COVID-19. Mr. Brooks reviewed the work-from-home pilot program directed by the Governor's office.

Mr. Brooks stated that rainfall recorded at the Spruce Run gage for November was 3.37 inches which was 0.33 inches below average. Rainfall recorded at the Spruce Run gage for December was 4.50 inches which was 0.78 inches above average. Rainfall recorded at Manasquan for November was 3.13 inches which was 0.44 inches below average. Rainfall recorded at Manasquan for December was 5.63 inches which was 0.77 inches above average.

Mr. Brooks stated that that Spruce Run and Round Valley combined storage hit a record historical low at the beginning of October 2022, but releases from reservoirs have been at minimums since that time. Spruce Run Storage on January 5 was 61.5 percent. Round Valley Storage was 56.8 percent. Combined storage was 57.5 percent. Typical storage for that date is 89.1 percent. Manasquan storage on Friday, January 6 was 94.1 percent.

Mr. Brooks noted that staff is confident that the Manasquan Reservoir will be full before the beginning of release season. The Authority is reasonably confident that both Raritan Basin System reservoirs will recoup at least most of this summer's losses by the start of the next release season.

Mr. Brooks discussed an emergency procurement request made to the Capital Projects Committee for approval to seek bids for the performance of Electrical Testing and Maintenance at the South Branch Pumping Station. Mr. Brooks noted that it is standard practice before a pumping program for the Authority to engage the services of a certified independent testing agency for inspecting (for function and fire safety and personnel safety), testing the operation of, and preventative maintenance of the high-voltage electrical equipment at the Authority's South Branch Pump Station. This work is intentionally performed as close to the start of pumping as possible. Two previous procurements were initiated in October and December. In each of the procurements, only one bid was received, and in each

case, the low bidder failed to provide a Public Works Contractor Registration Certificate (required at time of bid).

Mr. Brooks stated that the Capital Projects Committee approved the request and staff will solicit bids from at least five contractors, all of which the Authority understands hold the required certifications. A formal resolution will be presented to the Board at a subsequent meeting to seek ratification of the procurement.

Mr. Brooks commended the Watershed Protection staff on being awarded over \$800,000 through a competitive process from the Lake Stormwater Management Grant Program for three grants related to Harmful Algae Blooms and aquatic invasive species.

#### COMMUNICATION/CORRESPONDENCE

Mr. Brooks stated that there are two articles related to County Road 629 included in the Board package. In response to a question from Mr. Hoffman, Mr. Brooks stated that to his knowledge, no additional public concern has been raised since the re-opening of the road.

#### 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 going well in the Manasquan system and that the reservoir is at 96 percent capacity. Projects continue as scheduled. Mr. McKeon noted that there was a recent freeze but that it did not significantly impact operations. Mr. McKeon 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 the combined storage in Round Valley and Spruce Run Reservoirs is below normal because of the Round Valley pool reduction for construction and the releases last summer. Mr. Shaffer noted that Authority staff are preparing South Branch Pump Station equipment and facilities to begin pumping to Round Valley this spring with the intent to make up the eight feet of stored water that was released last summer.

Mr. Shaffer stated that Canal operations are normal for this time of year.

Mr. Shaffer reported on the Round Valley Reservoir Dams-Rehabilitation and Resource Preservation Project. Mr. Shaffer stated that the project is currently in winter shutdown with respect to earthwork. Some ancillary project components such as crane

replacement and building improvements at the towers are expected to continue through the winter. Mr. Shaffer detailed the progress of specific project work at the South and North dams and outlined the remaining work to be completed. Mr. Shaffer noted that only punch list items remain to be completed on the Dike.

Mr. Shaffer stated that reconstruction of the Landing Lane spillway got underway in late November and is progressing. Most of the existing stone masonry has been dismantled and the contractor is expected to begin forming the concrete base for the reconstruction of the replacement stone masonry spillway. The project will salvage and reuse as much of the existing stone as possible.

Mr. Shaffer reviewed various other projects. Plans and specifications for the refurbishment of four large pumps and motors at the South Branch Pump Station have been finalized and a solicitation for construction bids is expected to be advertised this week.

Mr. Shaffer stated that following the need to replace a sluice gate at the South Bound Brook lock on an emergency basis, Authority staff developed a separate non-emergent capital improvement project to replace eleven sluice gates of similar vintage, at four different locks on the D&R Canal. The project has been advertised for bids and those bids are due later this month.

Mr. Shaffer noted that final plans and specifications are complete for the rehabilitation of 6-Mile Run Culvert under the D&R Canal and all permitting is in place. The project is expected to be advertised for bids later this month.

Mr. Shaffer stated that the last components of the Spruce Run Administration Building Fuel Island Rehabilitation project were completed last week and the fueling station is expected to be returned to service this week.

In response to a question from Mr. Hoffman, Mr. Shaffer indicated that the winter shutdown for Round Valley Reservoir Dams-Rehabilitation and Resource Preservation Project earthwork will likely be over in late March or April depending on weather conditions. In response to an additional question from Mr. Hoffman, Mr. Shaffer conjectured that the reason why many projects are receiving few or no bids could be related to new state requirements for public works contractor certifications, which many contractors are not willing to meet.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that everyone has a copy of his report. Mr. Klipstein stated that on December 8 of last year the Murphy administration announced grant awards totaling \$9.95 million for

water quality improvements under the ten-million-dollar Federal American Rescue Plan Act Lake Stormwater Management Grant Program for the management and maintenance of public lakes for recreational and conservation purposes. Mr. Klipstein stated that the Authority has been awarded \$825,500 for three projects. The proposal, "Spruce Run Reservoir Characterization Plan," was selected to receive \$562,500 in NJDEP funding for the physical, chemical, and biological characterization of the Spruce Run Reservoir and tributaries. The proposal, "Agricultural BMPs-Spruce Run Reservoir Watershed," was selected to receive \$173,000 in grant funds to implement agricultural conservation practices in the Spruce Run and Mulhockaway watersheds designed to reduce pollutant loads and mitigate the instances of harmful algal blooms ("HABs") in the watershed and the reservoir. The proposal, "Boat Cleaning Stations for AIS Prevention," was selected to receive \$90,000 in grant funding for the purchase, delivery, and maintenance of two waterless, mobile boat cleaning stations.

Mr. Klipstein reiterated Mr. Brooks' commendations to the Watershed staff for their work on these successful grant proposals which cost effectively leverage the Source Water Protection Fund.

In response to questions from Mr. Hoffman, Mr. Klipstein stated that the Authority did not submit any additional proposals that were not funded; that the boat cleaning station project does not require additional Authority staffing; and Ms. Hale clarified that the Authority has three ongoing grants from the New Jersey Department of Environmental Protection for a total of six with the inclusion of these three new grants.

#### NEW BUSINESS

Mr. Picco and Mr. Brooks provided background information on the resolution authorizing the award of a contract to conduct the Annual Fiscal Audit for the fiscal year ending June 30, 2023. The Authority retains an auditor through a competitive process at least every five years in accordance with E0122 (initial year and up to four contract renewals). This audit cycle for the FY2023 financial statements will be the second year under the December 2021 procurement. The Audit fee for FY2022 was \$57,975 and the proposed fee for FY2023 is \$60,000.

Mr. Picco moved the resolution to authorize 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, 2023, perform Arbitrage Rebate Calculations, conduct the Single Audit as necessary, and issue Agreed-Upon Procedures for a fee not to exceed \$60,000. Ms. Blew seconded the motion for the resolution. All Authority members approved the resolution.

Ms. Desko provided the background information on the resolution authorizing the Executive Director to execute an agreement with the New Jersey Department of Environmental Protection for the project "Spruce Run Reservoir Characterization Plan." Ms. Desko stated that in December 2022, the Authority was notified by NJDEP that the proposal for this project was selected to receive \$562,500 in NJDEP funding for the physical, chemical, and biological characterization of the Spruce Run Reservoir and tributaries.

Ms. Desko described the project purpose and objectives. Ms. Desko stated that this reservoir characterization, in conjunction with the Spruce Run and Mulhockaway Watershed Restoration and Protection Plan which is currently under development by the Authority under a different NJDEP grant, will provide the basis for in-reservoir harmful algal bloom ("HAB") management efforts and further prioritize watershed-based efforts in the future that will improve the quality of the water supply and restore recreational opportunities. Ms. Desko outlined specific budget items, project costs and Authority in-kind and cash matching funds.

Mr. Havens moved the resolution authorizing the Executive Director to execute a contract agreement, and any amendments thereto that are otherwise within the Executive Director's authority under the Authority by-laws, with the New Jersey Department of Environmental Protection for the Authority's participation in the project "Spruce Run Reservoir Characterization Plan." Mr. Iacullo seconded the motion for the resolution. All Authority members approved the resolution.

Ms. Hale provided the background information on the resolution authorizing the Executive Director to execute a grant agreement with the New Jersey Department of Environmental Protection for the project "Agricultural BMPs-Spruce Run Reservoir Watershed." Ms. Hale stated that in December 2022, the Authority was notified by NJDEP that the proposal for this project was selected to receive \$173,000 in grant funds to implement agricultural conservation practices in the Spruce Run and Mulhockaway watersheds designed to reduce pollutant loads and mitigate the instances of harmful algal blooms ("HABs") in the watershed and the reservoir.

Ms. Hale stated that the program will continue the Authority's agricultural cost-share program with a focus on the Spruce Run and Mulhockaway watersheds. Ms. Hale described specific aspects of project implementation and outlined specific budget items, project costs and Authority in-kind and cash matching funds. A portion of the NJDEP and Authority cost-share funding will be utilized to match and leverage USDA-NRCS financial assistance, continuing the successful model that the Authority has implemented for several years.

Mr. Picco moved the resolution authorizing the Executive Director to execute a contract agreement, and any amendments thereto that do not increase the Authority's financial obligation and are otherwise within the Executive Director's authority under the Authority by-laws, with the New Jersey Department of Environmental Protection for the Authority's participation in the project "Agricultural BMPs-Spruce Run Reservoir Watershed." Mr. Havens seconded the motion for the resolution. All Authority members approved the resolution.

Mr. Clonan provided the background information on the resolution authorizing the Executive Director to execute an agreement with the New Jersey Department of Environmental Protection for the project "Boat Cleaning Stations for AIS Prevention." Mr. Clonan stated that in December 2022, the Authority was notified by NJDEP that the proposal for this project was selected to receive \$90,000 in grant funding for the purchase, delivery, and maintenance of two waterless, mobile boat cleaning stations.

Mr. Clonan described Aquatic Invasive Species ("AIS") and their impacts on infrastructure, ecology, and reservoir nutrient cycles. Mr. Clonan stated that much of the risk of AIS spread could be mitigated by providing recreational boaters with a boat cleaning station at the boat launch, which ensures no new AIS enter the waterbody and no AIS already present in the waterbody travel to the next launch. Mr. Clonan stated that the Authority will continue to work with the Monmouth County Park System and the State Park Service to implement the mobile Boat Steward Inspection Stations at the Manasquan Reservoir and Spruce Run Reservoir boat launches. Mr. Clonan outlined the project budget and objectives.

Ms. Blew moved the resolution authorizing the Executive Director to execute a contract agreement, and any amendments thereto that are within the Executive Director's authority under the Authority by-laws, with the New Jersey Department of Environmental Protection for the Authority's participation in the project "Boat Cleaning Stations for AIS Prevention." Mr. Picco seconded the motion for the resolution. All Authority members approved the resolution.

Mr. Shaffer provided the background information on the resolution authorizing Amendment No. 14 to Contract WSA-C16023 for Professional Engineering Services required for the Round Valley Reservoir Structures - Rehabilitation and Resource Preservation Project. Mr. Shaffer stated that the original and current contractual final completion date for the Round Valley project of August 21, 2022 has passed and it is expected that final completion will not be achieved before the end of 2023.

Mr. Shaffer stated that Schnabel Engineering provides full time construction inspection and contract administration for this project. Schnabel's contract (including amendments executed to date) for construction management is based on the contractual final completion date of August 2022. Because Schnabel has scaled their staffing to the extent possible to reflect the slower than expected pace of the contractor, their budget has extended beyond the original final completion date, but it is not sufficient to extend through the forecasted final completion date. Authority staff believe that the success of the project requires continued support provided by Schnabel's construction management. At the Authority's request, Schnabel prepared a proposal for additional costs to continue providing construction management services through the expected end of the project. Mr. Shaffer noted that compensation is based only on actual work performed.

Mr. Havens moved the resolution authorizing the Executive Director to amend the contract with Schnabel Engineering of Chadds Ford, Pennsylvania, for Professional Engineering Services necessary for the Round Valley Reservoir Dams - Rehabilitation and Resource Preservation Project, Clinton Township, Hunterdon County, by a reimbursable cost not to exceed \$3,299,207.00, bringing the new contract total to a reimbursable cost not to exceed \$16,732,787.00. Mr. Iacullo 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. 7 to Contract WSA-C17012 with J.F. Brennan Company, Inc. for the Dredging of the Delaware and Raritan Canal from Kingston (Station 1862+00) to Amwell Road (Station 2418+00). Mr. Shaffer stated that the recently completed project that dredged ten miles of the D&R Canal from Kingston to Amwell Road was financed by the NJ Environmental Infrastructure Trust (or I-Bank). As a matter of standard practice, the I-Bank requires execution of a change order to zero out the balance of the contract. All work on this project is complete and the contractor has been paid in full. The total contract amount, including six change orders executed during the course of the project, was \$41,155,588.67. At the completion of all work, \$6,908,012.64 was not spent.

Mr. Picco moved the resolution authorizing the Executive Director to execute Change Order No. 7 with J.F. Brennan of La Crosse, Wisconsin, for Construction Services necessary for the Delaware and Raritan Canal Dredging Project for the Dredging of the Delaware and Raritan Canal from Kingston (Station 1862+00) to Amwell Road (Station 2418+00) in Franklin Township, Somerset County, New Jersey for a credit amount of \$6,908,012.64 resulting in a final contract value of \$34,247,576.03. Ms. Blew 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. 54 - Construction contract for Round Valley Reservoir Structures Refurbishment and Resource Preservation Project - Earthen Dam Rehabilitation and Ancillary Work, Clinton Township, Hunterdon County, New Jersey, WSA-C19030. Mr. Shaffer stated that the Round Valley project includes construction of permanent access roads at all three dams. Additionally, temporary roads were required to be constructed in some locations to ensure Authority staff could maintain continued access to facilities needed for water supply operations during construction. The permanent and temporary roads are constructed with a base of dense graded aggregate or DGA. The contract documents included DGA quantities for the permanent roads but did not include the quantities needed for the temporary roads. This resulted in a contractual shortfall of DGA needed to complete the project. The contractor submitted a change order request to be compensated for an estimated 1,298 cubic yards of DGA at the contract unit price of \$120/cubic yard, furnished and placed. The actual payable amount will be subject to the amount placed per surveyed quantities.

Ms. Blew moved the resolution authorizing the Executive Director to execute Change Order No. 54 with Thalle Construction Company, Inc. of Hillsborough, North Carolina, for Construction Services necessary for the Round Valley Reservoir Structures Rehabilitation & Resource Preservation Project to increase the contract by a cost not to exceed \$155,760.00, raising the total contract amount to \$66,523,662.03. Mr. Picco 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

There was no public comment.

#### 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 the motion. The meeting was adjourned at 2:42 P.M.

I hereby certify this to be a true and original copy of the January 9, 2023 New Jersey Water Supply Authority meeting minutes.

*Michelle Rollman*

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Michelle Rollman  
Finance & Accounting Analyst