



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the New Jersey Water Supply Authority

July 11, 2022

A regular meeting of the New Jersey Water Supply Authority was convened on July 11, 2022 at 2:00 P.M. via Microsoft Teams video and teleconference service 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, Acting Commissioner New Jersey Department of Environmental Protection and Chair New Jersey Water Supply Authority, Linda Ofori, Assistant Director, Division of Water Supply, 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
Steven Picco

Absent: Robert Iacullo

A quorum existed for the transaction of Authority business.

Authority Staff Present:

Marc Brooks, Executive Director
Susan Buckley, Director Finance & Administration
Paul McKeon, Director Manasquan Water Supply System/D&R Canal
Kathy Hale, Principal Watershed Protection Specialist
Julie Shelley, Contracts and Risk Manager
Rita Shaw, Controller
Dorota Neulinger, Principal Accountant
Michelle Rollman, Finance and Accounting Analyst
Jared Berger, Geographic Information Specialist
Kathrine Hunt, Deputy Attorney General
Jeffrey Nielsen, Associate Counsel, Authorities Unit

Interested Parties Present:

Oleg Kostin, New Jersey American Water
Frank Marascia, New Jersey American Water

APPROVAL OF THE MINUTES

Acting Chair Ofori opened the meeting by asking for the approval of the minutes of the May 2, 2022 meeting. Mr. Picco moved for the approval of the minutes as prepared and this motion was seconded by Mr. Havens. The minutes of the May 2, 2022 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 the Authority continues to follow all COVID-19 guidance from the Governor's office. Mr. Brooks discussed the one-year pilot program directed by the governor's office to allow some employees to work from home one day per week and up to two days per week after three months.

Mr. Brooks stated that rainfall recorded at Spruce Run gage for June was 3.19 inches, which was 0.83 inches below average. Mr. Brooks stated that rainfall recorded at the Manasquan Reservoir in June was 3.73 inches, which was 0.77 inches above average.

Mr. Brooks discussed County Road 629. Mr. Brooks stated that before the start of the large-scale construction at Round Valley Reservoir, Authority staff met with Hunterdon County Engineering and proposed closing a portion of County Road 629 for the duration of the work at the North Dam and the Dike. County Road 629 crosses over the Round Valley Dike and is adjacent to the North Dam. It was believed that closing the road would allow for improved security, dam safety, contractor safety, and contractor productivity during the major earthwork at the structures. The County agreed to close the road from Old Mountain Road to the driveway for the NJDEP Fish and Wildlife "fish-labs" building for the duration of the project.

Mr. Brooks stated that staff recently approached the Hunterdon County Engineering Department to ask that they consider making the temporary closure permanent, at the same locations, for safety and security reasons. Authority Staff's proposal stipulated that the road would only be closed to vehicular traffic and that it would remain open for pedestrian and bicycle use. Staff has now made formal requests to the mayors of Lebanon Borough and Clinton Township to obtain concurrence with the proposed closure plan. If these concurrences are received, a similar formal request will be made to Hunterdon County pending Board approval.

Mr. Brooks noted that a very serious threat to earthen dams by bad actors would be facilitated by vehicular access to the structure. A site-specific confidential study was performed by the Department of Homeland Security and Army Corps of Engineers where they recommended consideration of access control and vehicular barriers to the Round Valley earthen embankments. The proposed closure area of County Road 629 is the crest of the Round Valley Dike. The failure of any of the three Round Valley dams would have catastrophic impacts on downstream residents and water supply to over 1.5 million people in central New Jersey.

Late last week, Deputy Attorney General Kathrine Hunt recommended that Mr. Brooks seek full Authority Board approval before making a formal request to Hunterdon County. That approval will be sought at a future Authority Board meeting.

COMMUNICATIONS/CORRESPONDENCE

Mr. Brooks noted an online news article entitled, "Round Valley rehab project hopes to close Route 629 permanently," by Walter O'Brien, published in the Hunterdon Review at www.newjerseyhills.com, on July 7, 2022. Mr. Brooks also noted email correspondence and an open letter regarding the proposed closure from Nick Corcodilos, a former mayor of Clinton Township.

UNFINISHED BUSINESS

Mr. McKeon provided a report on the Water Treatment Plant and the Manasquan Reservoir System. Mr. McKeon stated that everyone has a copy of his report. Mr. McKeon discussed seasonal rainfall and algae levels. Mr. McKeon stated that operations are normal in the Manasquan system. Mr. McKeon noted that work is ongoing on projects that will come before the Board at a future meeting, including traveling water screen repairs, and piezometers placement wells on the embankment of the reservoir.

Mr. Brooks reported on the Raritan Basin System in absence of Chief Engineer, Darin Shaffer. Mr. Brooks stated that everyone has a copy of Mr. Shaffer's report. Mr. Brooks noted that the Spruce Run Reservoir is currently at 88.7 percent of capacity. Round Valley is drawn down for the rehabilitation project and is currently at 65.7 percent of capacity. The combined reservoir capacity is now at 69.6 percent while the typical combined level for this date is 94.1 percent.

Mr. Brooks stated that a noteworthy event occurred on June 28, when it was reported to the Authority that the water in the South Branch Raritan River in the vicinity of High Bridge appeared

unusually turbid or stained, despite no significant recent rain. Authority staff investigated and confirmed the unusual discoloration. Authority staff notified NJDEP and downstream water purveyors. NJ American Water draws from the Raritan River and also actively investigated the condition by taking water samples for testing and seeking the limits of the discoloration. The next day, NJDEP informed the Authority that a vehicular accident in Washington Township, Morris County, had caused about 200 gallons of black dye to enter a storm drain which discharged to the South Branch. The dye was determined to be non-hazardous and downstream purveyors determined they could appropriately treat the water. The Authority increased the release to the South Branch to help dilute the dye before it reached the purveyors.

Mr. Brooks stated that a member of the Technical Review Board visited the Round Valley project to observe the construction to date and also toured Spruce Run to observe recent improvements and review the dam instrumentation. The TRB commended Authority staff for excellent maintenance of the dams and was satisfied with the construction work they observed.

Mr. Brooks stated that Canal operations are normal for this time of year. The Canal field office is temporarily short-handed due to three recent retirements of long-time employees, but staff is keeping up with their primary responsibilities.

Mr. Brooks reported on the Round Valley Reservoir Dams-Rehabilitation and Resource Preservation Project. Major earthwork is ongoing at both the North and South Dams. The North Dam filter drain construction is complete and the backfill is nearly complete. Final site grading and topsoil seeding will soon follow.

Mr. Brooks noted that the Landing Lane Spillway project has not started due to availability of materials.

Ms. Hale reported on the Watershed Management Program. Ms. Hale stated that everyone has a copy of the written Watershed Management Program report. Ms. Hale stated that boat stewards are working at Spruce Run and Manasquan, and that they have done more than 500 surveys so far this year.

Ms. Hale reported on aquatic invasives. Staff has noted an increased presence of Eurasian watermilfoil recently at Spruce Run and a submerged aquatic vegetation study will be conducted later this year. Fluridone injections on the Canal will begin tomorrow to continue to address hydrilla. Sonar treatments to address hydrilla at Manasquan began in June. Ms. Hale stated that staff collected samples on the Canal and Wickecheoke to identify the presence of Chinese pond mussel via eDNA.

Ms. Hale discussed harmful algal blooms. Seasonal monitoring at Spruce Run continues, and staff observed a bloom near the shoreline by the release tower. Staff are working on a cyanotoxin management plan update for Manasquan and weekly monitoring continues.

Ms. Hale stated that the United States Golf Association was certified as a River Friendly Business at the last technical advisory committee meeting.

NEW BUSINESS

Ms. Shaw provided the background information on the unaudited financial statements for the nine months ending March 31, 2022. Ms. Shaw stated that the financial statements have been distributed to all interested parties and are available on the Authority website as required by bond resolutions. Ms. Shaw noted that the financial statements for the nine months show favorable results of operations. Ms. Shaw discussed specifics in the change in Operating Revenue, Operating Expense, and Income from Operations for the nine months relative to the prior year.

Ms. Shaw offered to answer any questions and stated that no Board action was required.

Ms. Shelley provided the background information on the resolution authorizing the Executive Director to bind an extension of the existing Builder's Risk Insurance policy for the Round Valley Embankment Rehabilitation Project. Ms. Shelley stated that due to the delays in the construction, the Builder's Risk policy must be extended through November 17, 2023, the now projected date for final completion of the entire project. The Authority's Insurance Broker, Willis Towers Watson, sought favorable renewal terms for this extension. Liberty Mutual, the lead underwriter for the existing policy, agreed to extend the coverage from August 21, 2022 to November 17, 2023 for the same rate, prorated for the extension term.

Mr. Havens moved the resolution authorizing the Executive Director to secure placement of the Builder's Risk Insurance policy for a premium cost not to exceed \$780,000 for the period of August 21, 2022 to November 17, 2023. Mr. Picco seconded the motion. All Authority members approved the resolution.

Ms. Shelley provided the background information on the resolution ratifying the Executive Director's placement of the Authority's Insurance policies for two underground storage tanks and a drone. Ms. Shelley stated that On April 4, 2022, the Authority

adopted Resolution No. 2527 ratifying actions of the Executive Director in the remarketing and placement of insurance coverage effective March 1, 2022. The policies placed at that time did not include coverage for two underground storage tanks and the Authority's newly purchased drone. Staff continued to work with the Authority's Broker, Willis Towers Watson, to find appropriate coverage for these items. Two new carriers were identified and approval to bind coverage for the two underground storage tanks and the drone was obtained from the Insurance Committee Chair on April 13, 2022. In response to a question from Mr. Picco, Ms. Shelley and Mr. Brooks discussed the size and location of the two tanks.

Ms. Blew moved the resolution to ratify the Executive Director's placement of insurance for two underground storage tanks with Tokio Marine Specialty for the term of March 28, 2022 to March 28, 2023 and unmanned aircraft with Global Aerospace for the term of April 13, 2022 to April 13, 2023 for a total increased cost of \$5,853. Mr. Picco seconded the motion. All Authority members approved the resolution.

Ms. Shelley provided the background information on the resolution authorizing the Executive Director to negotiate and execute a contract with the Trenton Country Club for renewal of uninterruptible service from the Raritan Basin System. Ms. Shelley stated that the Trenton Country Club has a water purchase contract with the Authority which expired on June 30, 2022. The Trenton Country Club requested renewal of its contract for a period of five years with no change to the amount of water proposed for withdrawal.

Ms. Blew moved the resolution to approve the application of the Trenton Country Club, subject to the standard conditions, limitations, and terms, and to authorize the Executive Director to execute the formal agreement. 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 Committee - no report

PUBLIC COMMENT

Frank Marascia introduced himself as a representative of New Jersey American Water. Mr. Marascia inquired if the pumps at the South Branch Pumping Station are being replaced because they are at the end of their useful life. Mr. Brooks stated that the pumps are being refurbished because the pumps and motors are not maintaining alignments and that the base plates will be replaced.

EXECUTIVE SESSION

There was no need for an executive session.

ADJOURN

Mr. Havens moved to adjourn the meeting. Mr. Picco seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:22 P.M.

I hereby certify this to be a true and original copy of the July 11, 2022 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman
Michelle Rollman
Finance and Accounting Analyst