



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the
New Jersey Water Supply Authority
November 4, 2024

A regular meeting of the New Jersey Water Supply Authority was convened on November 4, 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, Steven Domber, 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: Steven Domber, 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
Rita Shaw, Controller
Dorota Neulinger, Supervisor, Financial Services
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 Domber opened the meeting by asking for the approval of the minutes of the October 7, 2024 meeting. Mr. Brooks noted that Resolution Number 2642 with the Board package for procurement of the Authority's insurance broker, contained a clerical error pertaining to the year-one fee amount proposed by Willis of New Jersey, Inc., the number one rated firm. Mr. Brooks explained that during her presentation, Ms. Shelley verbally reported the correct value of the consultant's year-one fee amount in their proposal, which was \$48,500.00. The resolution incorrectly stated that the one-year value of the consultant's proposal was \$48,000.00. Mr. Brooks stated that after consultation with Deputy Attorney General Hunt, the clerical error was determined to be a de minimus amount and the resolution was corrected when it was sent to the Governor's office for the required veto period review. Mr. Brooks stated that this information was relayed by email to all of the Board members that were present for the October meeting. Mr. Havens moved for the approval of the minutes as prepared, and this motion was seconded by Ms. Blew. The minutes of the October 7, 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, October precipitation was 0.01 inches, which was 3.83 inches below average.

Mr. Brooks stated that as of this morning, the combined storage for Round Valley and Spruce Run was at 82 percent of capacity, compared to a combined historic average storage of 87.8 percent for that date. Mr. Brooks stated that separately, Spruce Run is very low at 33.1 percent, but that Round Valley Reservoir, which is of much larger capacity, is at 91.8 percent. Mr. Brooks further stated that Spruce Run is just under one foot above its record low from 2002.

Mr. Brooks discussed that as previously reported, the harmful algae bloom briefly returned to the Millstone River earlier in the summer but has been very manageable compared to the much more significant bloom of 2022. Mr. Brooks noted that coordination continues with regular discussions that include Authority staff, NJDEP, all of the downstream water users, Stonybrook Regional Sewage Authority, Somerset Raritan Sewer Authority, and now Princeton University, the owners of Carnegie Lake. Mr. Brooks stated that his opinion is that the collective actions taken by the stakeholders have prevented a repeat of the 2022 bloom.

Mr. Brooks stated that October rainfall in Manasquan was 0 inches and noted that average rainfall for October is 3.8 inches. Mr. Brooks stated that the Manasquan Reservoir pool elevation as of this morning was 92 feet and that storage is 2.4 BG, which is 52 percent of capacity, a record low.

Mr. Brooks discussed that on the morning of Tuesday October 22, 2024, Authority staff observed a significant algal bloom at the Manasquan Reservoir surrounding the intake tower. Mr. Brooks explained that while October algal blooms have been a regular occurrence at the Manasquan Reservoir, the difference in this current situation is more concerning due to the record dry conditions, the lowest the reservoir has ever been since first fill, the lack of significant forecasted rain, and the prolonged unusually warm temperatures for this time of year.

Mr. Brooks stated that with low flows in the Manasquan River, the system is currently unable to switch the raw water source to soley river water due to river flows which are currently well below median flow. Mr. Brooks further stated that while staff and himself believed that the Manasquan Water Treatment Plant was and still is capable of handling the current load of cyanobacteria and cyanotoxins, it is believed that additional and immediate action to mitigate the bloom in the reservoir was needed.

Mr. Brooks stated that based on the available data, the bloom was and still is not producing high levels of toxins, but it was felt that the bloom would likely intensify and possibly start to produce toxins. Mr. Brooks additionally stated that the healthy condition of the observed cyanobacteria population was creating a significantly increasing number of overwintering cells which was setting up a higher probability of an increased cyano bloom in the near future and continuing through the spring, summer, and fall of 2025.

Mr. Brooks explained that with that in mind, staff believed that the most prudent approach was to immediately treat the reservoir body with a chelated copper algaecide. Mr. Brooks stated that the chelated copper product was preferred because it provides extended release of active ingredient resulting in longer term benefit and is more effective with current water quality conditions at the Manasquan Reservoir including pH, alkalinity, and the organic load. Mr. Brooks further stated that the chelated product puts less copper into the system overall, which mitigates the negative impacts on aquatic life.

Mr. Brooks stated that the total cost for the treatment was \$92,000.00 and that the contractor was procured on an emergency basis with approval from all three members of the Capital Projects Committee on October 24. Mr. Brooks stated that a resolution will be brought forward for Board approval at the next Board meeting

seeking ratification of his actions in calling for and executing the emergency procurement.

Mr. Brooks explained that the treatment was performed last Wednesday on October 29 and that Authority staff continue to monitor the situation closely and follow the Authority's Cyanotoxin Management Plan. Mr. Brooks noted that testing results since the treatment have all been encouraging, stating that specifically, algae counts have diminished, toxin levels have been zero or below the detectable limit, and copper levels are within an expected range. Mr. Brooks stated that looking forward, the planned addition of a reservoir oxygenation system will help mitigate the uncertainty associated with this current condition. Mr. Brooks offered to answer any questions.

COMMUNICATION/CORRESPONDENCE

Mr. Brooks stated that there are two items of communication and correspondence included in the agenda package, an article in the Asbury Park Press on October 15, and an article in MyCentralJersey on October 18. Mr. Brooks noted that both articles reported on the water levels in the reservoir and were accurate assessments of the current situation.

UNFINISHED BUSINESS

Mr. McKeon reported on the Manasquan Reservoir System and the Manasquan Water Treatment Plant/Transmission System. He noted that last month was a relatively normal and quiet month pertaining to operations and treating water. Mr. McKeon stated that there were some shorter filter runs at the Water Treatment Plant due to the algae in the reservoir, and that there was nothing else to report. Mr. McKeon noted that water in the river is low, and that the Authority is taking all that is allowed. The reservoir is still dropping slowly. Operationally, October ran smoothly.

Mr. Gates reported on the Raritan Basin System. Mr. Gates stated that the persistent dry conditions leave the Authority releasing at an unusually high rate for this time of year, with the trend anticipated to continue into the foreseeable future.

Mr. Gates noted that in mid-October, Spruce Run releases were reduced in order to slow the drawdown rate while maintaining minimum passing flows at Stanton. Spruce Run release is currently set to 24 MGD, and the reservoir is down over 24 feet from full pool to just below elevation 249 feet and is at 33 percent of storage capacity.

Mr. Gates stated that releases from Round Valley are currently set to 77 MGD and the pool is down approximately 6 feet to an

elevation of 379 feet which is 92 percent capacity. Releases are continuing to be monitored and adjusted to compensate for fluctuations in customer demand.

Mr. Gates noted that, as Mr. Brooks discussed, the Authority continues to monitor for HAB conditions and regularly meets with NJDEP, water quality science personnel, Princeton University, and water and wastewater users along the Canal, and Millstone and Raritan Rivers.

Mr. Gates stated that canal operations are currently normal, with staff focusing mainly on water supply operations and routine maintenance.

Mr. Gates stated that the Spruce Run Administration Building Fuel Oil Underground Storage Tank Removal is progressing. Mr. Gates noted the Authority has procured the LSRP who has reviewed and provided comments on the Authority prepared plans and specifications for removal of the UST. The Authority will issue an addendum this week to address concerns identified by the LSRP with bids scheduled to be received on November 13.

Mr. Gates stated that the only capital project update from his written report relates to the D&R Canal Western Embankment Improvements - Phase I - Stockton. Mr. Gates stated that the final inspection of the embankment was scheduled with Hunterdon County Soil Conservation District on October 29. They were satisfied with the vegetative cover that established on the embankment and issued the Report of Compliance on October 30. The contractor will be returning to the site in the coming weeks to remove the silt fence and close the project out. Mr. Gates offered to answer any questions.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein stated that he echoes the recognition of the enhanced coordination with NJDEP, water customers and in particular New Jersey American Water, explaining that there is a lot of knowledge shared between the parties to come up with good answers for unusual circumstances.

Mr. Klipstein stated that, as Mr. Brooks shared, the reservoir treatment for algae in the Manasquan Reservoir went well. Mr. Klipstein stated that tests were run and results pre and post treatment were non-detect for Mycrosystin and Cylindrospermopsin. Anatoxin-a and Saxitoxin results are expected this afternoon. Another round of toxin samples is being collected today. Visually, the reservoir looks much clearer. Mr. Klipstein discussed being confident in the decision to use the chelated product to produce good results.

Mr. Klipstein noted that New Jersey American Water has observed some clumps of algae coming down the Raritan River or possibly the Millstone River. This is being monitored visually, and there is low concern since phytoplankton counts remain low with diatoms and green algae dominating.

Mr. Klipstein noted that the oxygenation project is moving forward. The consultant conducted SCUBA surveys last month to determine the most suitable location for the aeration unit. Mr. Klipstein explained that in the long run, the system will provide more options during conditions such as those currently experienced.

NEW BUSINESS

Mr. McKeon provided the background information on the resolution authorizing the award of a Purchase Order for a replacement Ford F-250 class pickup truck for the Manasquan Water Supply System, Wall Township, Monmouth County, NJ.

Mr. McKeon Stated that the Authority's Manasquan Reservoir System 2024 capital budget includes \$29,250 and the Water Treatment Plant capital budget includes \$35,750 for the shared purchase of a crew cab pickup truck with utility body to replace the identical model truck placed into service at Manasquan in 2015. The shared budget total is \$65,000.00. It was determined that a Ford F-250 utility body truck was needed to replace the existing utility body truck. The vehicle cost is \$66,101.00. Mr. McKeon noted that there is ample funding in the operating budget to cover the \$1,101.00 difference as compared to the 2024 budget.

Mr. McKeon stated that as typical with vehicle purchases, Authority staff utilizes NJSTART, the State of New Jersey's eProcurement portal, to identify a vehicle meeting the necessary specifications. Mr. McKeon explained that NJSTART contains "Master Blanket Purchase Orders", also known as State Contracts, with pre-qualified vendors procured by the Division of Purchase and Property through a centralized procurement process.

Mr. McKeon stated that Authority staff reviewed the State Contract offerings from Winner Ford on NJSTART and recommends that the Authority issue a Purchase Order in the amount of \$66,101.00 to Winner Ford, Inc. of Cherry Hill, New Jersey, replacement Ford F-250 crew cab truck with utility body. Mr. McKeon stated that an appropriate resolution has been prepared for your consideration.

Mr. Iacullo moved the resolution authorizing the award of a Purchase Order for a replacement Ford F-250 class pickup truck for the Manasquan Water Supply System, Wall Township, Monmouth County, NJ, to Winner Ford of Cherry Hill, NJ in the amount of \$66,101.00.

Ms. Blew seconded the motion. All Authority members approved the resolution.

Ms. Shelley provided the background information on the resolution authorizing the placement of insurance coverage for the period of March 1, 2025 through February 28, 2026.

Ms. Shelley stated that Authority By-Laws require the Board to approve insurance procurements having premiums valued in excess of \$100,000. Insurance coverage for property and casualty will expire on February 28, 2025, and the Authority's Insurance Program is scheduled to be completely remarketed for the March 1, 2025 placement.

Ms. Shelley noted that recent activity in the markets indicates that the Authority should anticipate premium increases across all lines. Ms. Shelley stated that the greatest rate increases are anticipated in the General/Auto Liability, between 15 percent and 20 percent, and Excess Liability, between 10 percent and 12.5 percent, lines of coverage. Ms. Shelley further noted that the anticipated increase in the Property Line rate is expected to be around 5 percent.

Ms. Shelley stated that proposals from underwriters will be received no sooner than January 2025. The Board approved FY2025 budget includes \$2,460,361 for insurance payments due in the spring of 2025. The final insurance package will be subject to the Insurance Committee Chair's approval should the annual premium exceed the budgeted amount. Ms. Shelley explained that Board ratification of the final placement will occur at its first meeting subsequent to the renewal date.

Ms. Shelley stated that it is recommended that the Board authorize the Executive Director to secure placement of insurance coverage effective March 1, 2025, and that an appropriate resolution was included in the packet for Board consideration.

Mr. Havens moved the resolution authorizing the placement of insurance coverage for the period of March 1, 2025 through February 28, 2026. Mr. Iacullo seconded the motion. All Authority members approved the resolution.

Ms. Buckley provided the background information on the resolution authorizing the publication of proposed changes in the Authority's Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System.

Ms. Buckley stated that the Board packets include a memo detailing the FY26 Manasquan Reservoir System rate proposal. Ms. Buckley stated that in the Manasquan Reservoir System, there are no

changes to any rate components, and the total rate will remain flat at \$1,010.75/mg for initial customers and \$1,124.67/mg for delayed customers. Ms. Buckley noted that some of the major drivers within the Manasquan Reservoir System rate are increases in salaries and health care expenses based on state level negotiations, increases in insurance and maintenance-related costs, offset by use of prior year overdraft and positive budget variance to balance the budget.

Ms. Buckley stated that rates have been reviewed with the Department of Environmental Protection, the Governor's office, the Authority's Finance Committee, and with customers. Ms. Buckley noted that there were two attendees at the customer meeting that was held on October 24.

Ms. Buckley stated that if the board approves, the rate proposal is expected to be published in the January New Jersey Register, for an effective date of July 1, 2025, and that Basis and Background documents detailing the rate proposal are posted on the Authority website.

Ms. Buckley explained that the resolution authorizes publication of the amended administrative code to reflect the new fiscal year and the utilization of excess funds from prior years to offset the FY26 Manasquan Reservoir System O&M rate.

Mr. Havens moved the resolution authorizing publication of proposed changes in the Authority's Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System. Mr. Iacullo seconded the motion. All Authority members approved the resolution.

Ms. Buckley provided the background information on the resolution authorizing the publication of proposed changes in the Authority's Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System.

Ms. Buckley stated that the Board packets include a memo detailing the FY26 Raritan Basin System rate proposal. Ms. Buckley stated that in the Raritan Basin System, there are no changes to any of the rate components, and the total rate will remain flat at \$365.00/million gallons. Ms. Buckley noted that the major drivers within the Raritan Basin System rate are similar to what is being seen in the Manasquan system, including increases in salaries and benefits as well as maintenance and insurance costs, offset by the use of overdraft revenue and prior year positive budget variances to maintain stable rates.

Ms. Buckley stated that rates have been reviewed with the Department of Environmental Protection, the Governor's office, the

Authority's Finance Committee, and with customers. Ms. Buckley noted that five individuals attended the customer meeting held on October 25.

Ms. Buckley stated that if the Board approves, the rate proposal is expected to be published in the January New Jersey Register, for an effective date of July 1, 2025, and that Basis and Background documents detailing the rate proposal are posted on the Authority website.

Ms. Buckley explained that the resolution authorizes publication of the amended administrative code to reflect the new fiscal year and the utilization of excess funds from prior years to offset the FY26 Raritan Basin System O&M rate.

Mr. Havens moved the resolution authorizing publication of proposed changes in the Authority's Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System. Mr. Iacullo seconded the motion. All Authority members approved the resolution.

Mr. Iacullo provided the background information on the resolution accepting the audit prepared by Mercadien, P.C., Certified Public Accountants, for the year ended June 30, 2024. Mr. Iacullo stated that an Audit Committee meeting was held on November 4, 2024 to go over the results of the audit of the financial statements for the fiscal year ending June 30, 2024. Mr. Iacullo stated that it was a very good audit in which an unmodified opinion was received which is a clean audit. Mr. Iacullo noted that there were no findings regarding internal controls, no findings regarding compliance issues, and no concerns indicated by the auditors. Mr. Iacullo stated that the auditors thanked the team for a smooth audit process. Mr. Brooks noted that Mr. Picco was not able to attend the Audit Committee meeting.

Acting Chair Domber moved the resolution to accept the audit prepared by Mercadien, P.C., Certified Public Accountants, for the year ended June 30, 2024. Mr. Havens seconded the motion. All Authority members approved the resolution.

Mr. Brooks provided the background information on the resolution to adopt the New Jersey Water Supply Authority meeting schedule for 2025. Mr. Brooks stated that this resolution is to adopt the New Jersey Water Supply Authority meeting schedule for 2025. Mr. Brooks stated that it is in accordance with the Open Public Meetings Act requirements. Mr. Brooks noted that the schedule identifies the date and time for the meetings. Meetings may be held by teleconference or in person. Mr. Brooks noted that dial-in or location information will be provided on the Authority website in advance of the meeting.

Mr. Iacullo moved the resolution to adopt the New Jersey Water Supply Authority meeting schedule for 2025. Ms. Blew seconded the motion. All Authority members approved the resolution.

Acting Chair Domber stated that the Authority annually elects a Vice Chair, Treasurer, Secretary and Assistant Secretary. The committee members are also assigned. Acting Chair Domber stated that for 2025, he would like to nominate Steven Picco for Vice Chair, Robert Iacullo for Treasurer, Susan Blew for Secretary, and Ellsworth Havens for Assistant Secretary. Acting Chair Domber stated that if there were no other nominations or discussion from the floor, that these four resolutions may be voted on as a block. There were none.

Mr. Havens moved the resolutions to elect Steven Picco as Vice Chair, Robert Iacullo as Treasurer, Susan Blew as Secretary and Ellsworth Havens as Assistant Secretary. Mr. Iacullo seconded the motions. All Authority members approved the resolutions.

Acting Chair Domber stated that the proposed committees and their memberships are as listed in the resolution for Agenda Item K.

Ms. Blew moved the resolution concerning the appointment of committee members for 2025. Mr. Havens seconded the motion. All Authority members approved the Resolution.

COMMITTEE REPORTS

- (a) Personnel - no report
- (b) Finance - no report
- (c) Audit - Mr. Brooks stated that the Audit Committee met on November 4, 2024.
- (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. Iacullo moved to adjourn the meeting. Mr. Havens seconded the motion. All Authority members approved the motion. The meeting was adjourned at 2:32 P.M.

I hereby certify this to be a true and original copy of the November 4, 2024 New Jersey Water Supply Authority meeting minutes.



Robin Greg
Finance & Accounting Analyst