



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
November 3, 2025

A regular meeting of the New Jersey Water Supply Authority was convened on November 3, 2025 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 Jonathan Allen 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 Fullagar, Middlesex Water Company
Oleg Kostin, New Jersey American Water

Marc Brooks, Executive Director
Susan Buckley, Director Finance and Administration
Stephen Gates, Chief Engineer
Anthony Colasurdo, Director Manasquan Water Supply System/D&R Canal Operations
Rita Shaw, Controller
Dorota Neulinger, Supervisor, Financial Services
Julie Hajdusek, Manager, Contracts and Risk Management
Robin Greg, Finance & Accounting Analyst
Jared Berger, Geospatial Analyst
Jonathan Allen, Deputy Attorney General
Michael Eleneski, 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 6, 2025 meeting. Ms. Blew moved for the approval of the minutes as prepared, and this motion was seconded by Mr. Iacullo. The minutes of the October 6, 2025 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 NJDEP declared a drought watch on October 1 and that it has certainly been very dry causing the Authority to make significant releases in the Raritan and Manasquan systems over the past three months. Mr. Brooks stated that the rain experienced on Thursday helped a little.

Mr. Brooks stated that in Clinton, precipitation was below average in each month for June through October, with a combined deficit of over 8.5 inches during that time period.

Mr. Brooks stated that Manasquan had higher precipitation levels, with an overall deficit of 1.5 inches from June to October. Mr. Brooks noted that Mr. Gates would provide more information on reservoir levels in his report.

Mr. Brooks noted that there are no new updates on the disposition of the BRIC grant specifically related to the Spruce Run Grouting Project and that the last check was received on September 15, likely also being affected by the federal government shutdown. Mr. Brooks noted that the total reimbursements to date are \$4.1M out of \$22.5M. Mr. Brooks offered to answer any questions.

COMMUNICATION/CORRESPONDENCE

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

UNFINISHED BUSINESS

Mr. Colasurdo reported on the Manasquan Reservoir System. Mr. Colasurdo noted that as of today, the reservoir level is at 65.44 percent of its storage capacity, which is 12.64 percent higher than this time last year. Mr. Colasurdo noted that this is 17 percent below historic average. Mr. Colasurdo stated that there are no active Capital Projects for the reservoir system.

Mr. Colasurdo reported on the Manasquan Water Treatment Plant/Transmission System. Mr. Colasurdo stated that operations have

been normal for this time of year and that things are quieter since peak demand flows have curtailed. Mr. Colasurdo stated that for the month of October, the Water Treatment Plant was sourced by river water, reservoir water, and a blend of both.

Mr. Colasurdo provided an update on projects at the Water Treatment Plant. Mr. Colasurdo noted that regarding C25038, the Authority has contracted with Carbon Activated of Blasdell, New York to reactivate 40,000 lbs. of granular activated carbon in Vessels 5 & 6. Mr. Colasurdo explained that Vessel 6 GAC media was reactivated in July and Vessel 5 GAC media is scheduled to be reactivated in the next two or three weeks.

Mr. Colasurdo stated that the Authority has contracted with Spectraserv of Kearny, New Jersey for C25034, Select Piping Replacements for GAC Vessels 3 through 6 and that work is expected to begin November 10.

Mr. Colasurdo stated that while Vessel 5 is out of service for the GAC reactivation, Brave Painting of Long Branch, New Jersey will paint the underdrain cone. Mr. Colasurdo noted that painting of Vessel 6 was successfully completed in July and that the same is expected for Vessel 5.

Mr. Colasurdo noted that regarding C25017, the Authority has contracted with Longo Mechanical of Wharton, New Jersey to refurbish Pump 1 and stated that the Contractor was given notice to proceed in January 2025. Mr. Colasurdo noted that by the time that mobilization was ready, it was too close to the peak demand season and that it was decided to move the contract to the fall. Longo Mechanical is scheduled to remove Filtered Water Pump 1 on November 12 and it is expected that this pump will be out of service for about 14 weeks.

Mr. Gates reported on the Raritan Basin System. Mr. Gates stated that due to the persistent dry conditions, Authority staff have been balancing the system and releasing from Spruce Run and Round Valley Reservoirs. Mr. Gates noted that releases were reduced, predominantly from Round Valley, as a result of the rain event on October 30, but relatively little unconfined ground water available to support stream flows resulted in short lived relief. Mr. Gates further noted that releases were increased again Sunday morning and are currently at a combined rate of 75 MGD, with 25 MGD coming from Round Valley and 50 MGD coming from Spruce Run. Mr. Gates stated that Spruce Run is at 36.8 percent capacity and Round Valley is at 89.9 percent capacity, for a combined system capacity of 81.1 percent, compared to a historic average for this date of 87.8 percent. Combined system storage is 1 percent lower than this date last year.

Mr. Gates stated that the NJDEP issued a statewide Drought Watch on October 1, 2025, which is still in effect.

Mr. Gates stated that canal operations are normal for this time of year with staff continuing routine maintenance activities. Mr. Gates noted that after collaborative discussions with the Authority's Watershed Protection Group and various water users, the Authority is planning to suspend the shedding of excess canal water to the Millstone River from the Kingston Wastegate and will shift releases to the Ten Mile Wastegate.

Mr. Gates provided a capital project update on the Spruce Run Administration Building Water Tank Replacement. Mr. Gates stated that the Contractor has installed the temporary water storage tank and demolished the existing tanks. Mr. Gates noted that the contractor rigged the new tanks into the basement of the Administration Building this morning, removed the old tanks for disposal, and is currently working on installing the new tanks.

Mr. Gates provided an update on the former Mercer County Workhouse Quarry Railroad Bridge at Station 523+80. Mr. Gates stated that the Authority is scheduling the first visit to begin documentation of existing conditions to satisfy anticipated cultural resources requirements prior to further deterioration of the bridge's condition.

Mr. Gates noted that there was one change order in his report and offered to answer any questions.

Mr. Brooks reported on the Watershed Protection Program. Mr. Brooks stated that everyone has a copy of Ms. Desko's report. Mr. Brooks stated that as mentioned last month, and in the watershed report, the Manasquan Reservoir was confirmed to have a cyanobacteria harmful algal bloom last month. Mr. Brooks noted that this is typical for mid to late October when the reservoir undergoes seasonal destratification and nutrients are released from the bottom sediments. Mr. Brooks also noted that with the drought declaration in early October and increased reliance on reservoir water, watershed staff coordinated a chelated copper algaecide treatment of the Manasquan Reservoir on October 28. Mr. Brooks explained that this was the same product that was used successfully in late October 2024 and that preliminary data indicate decreased algal productivity. Watershed staff are continuing to monitor the post-treatment impacts, including cyanotoxin analyses. Mr. Brooks offered to answer any questions.

NEW BUSINESS

Ms. Hajdusek provided the background information on the resolution authorizing the placement of insurance coverage for the period of March 1, 2026 through February 28, 2027.

Ms. Hajdusek stated that Authority By-Laws require the Board to approve insurance procurements having premiums valued in excess of \$100,000 and that the Authority's current policies will expire on February 28, 2026.

Ms. Hajdusek explained that the Authority's Insurance Program is competitively remarketed every three years, that the last full marketing was conducted for the March 1, 2025 placement and the next is scheduled for the March 1, 2028 placement. Ms. Hajdusek further explained that in the interim years, the Authority's practice is to negotiate favorable renewal terms aligned with existing market conditions with current underwriters, unless conditions dictate otherwise.

Ms. Hajdusek stated that recent activity in the market indicates that rate increases are continuing to moderate as the market softens and buyers have more options. Ms. Hajdusek noted that the greatest rate increases are anticipated in the General/Auto Liability and Excess Liability lines of coverage. Ms. Hajdusek also noted that the Authority's Property Line rate is anticipated to remain flat or possibly decrease, driven by increased capacity and competition in the market.

Ms. Hajdusek stated that proposals from underwriters will be received no sooner than January 2026 and that the Board-approved FY2026 budget includes \$2,720,000 for insurance payments due in the spring of 2026. The final insurance package will be subject to the Insurance Committee Chair's approval should the annual premium exceed the budgeted amount. Board ratification of the final placement will occur at its first meeting after the renewal date.

Ms. Hajdusek stated that it is recommended that the Board authorize the Executive Director to secure placement of insurance coverage effective March 1, 2026 and that an appropriate resolution is included for Board consideration.

Ms. Blew moved the resolution authorizing the placement of insurance coverage for the period of March 1, 2026 through February 28, 2027. Mr. Iacullo seconded the motion. All Authority members approved the resolution.

Ms. Buckley provided the background information for 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 FY27 Manasquan Reservoir System rate proposal. Ms. Buckley noted 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 per million gallons (mg) for initial customers and \$1,124.67/mg for delayed customers.

Ms. Buckley stated 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, and use of prior year overdraft and positive budget variance to balance budget.

Ms. Buckley noted that rates have been reviewed with the DEP, governor's office, Authority's Finance Committee, and with customers. Ms. Buckley also noted that three individuals attended the customer meeting on October 23.

Ms. Buckley explained 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, 2026 and that Basis and Background documents detailing the rate proposal are posted on the Authority website.

Ms. Buckley stated 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 FY27 Manasquan Reservoir System O&M rate.

Mr. Iacullo moved 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. Mr. Havens seconded the motion. All Authority members approved the resolution.

Ms. Buckley provided the background information for 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 FY27 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/mg. Ms. Buckley noted that there is a slight decrease in the

sales base from 182.339 million gallons per day (mgd) per day to 182.308 mgd because a small customer joined a regional water system.

Ms. Buckley stated that the major drivers within the Raritan Basin System rate are similar to those 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 noted that rates have been reviewed with the DEP, governor's office, Authority's Finance Committee, and with customers. Ms. Buckley also noted that six individuals attended the customer meeting on October 24.

Ms. Buckley explained 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, 2026 and that Basis and Background documents detailing the rate proposal are posted on the Authority website.

Ms. Buckley stated that the resolution authorizes publication of the amended administrative code to reflect the new fiscal year and new sales base, and the utilization of excess funds from prior years to offset the FY27 Raritan Basin System O&M rate.

Mr. Havens moved 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. Mr. Iacullo seconded the motion. All Authority members approved the resolution.

Ms. Hajdusek provided the background information on the resolution authorizing the negotiation and execution of a contract to purchase a fee simple interest in a portion of a lot in the City of Lambertville, Hunterdon County for D&R Canal Operations.

Ms. Hajdusek stated that staff requests the Board's approval of a resolution to authorize execution of a contract for the acquisition of a fee simple interest in a portion of a lot in the City of Lambertville. Ms. Hajdusek explained that the subject lot contains land and a D&R Canal (Canal) structure located outside of the State-owned Canal Water Transmission Complex but within an operational area of the Authority and that it is currently privately owned.

Ms. Hajdusek stated that the subject lot contains approximately half of a side channel of the Canal known as the 'Lambertville raceway' or 'Lambertville backrace' and that the raceway also contains a sluice gate for controlling flow through the backrace. Ms.

Hajdusek explained that half of the structure is located on State-owned property, and the other half is located on private property. Operation of the sluice gate and clearing of debris and fallen trees from the raceway are standard activities necessary to operation of the Canal.

Ms. Hajdusek stated that the sluice gate has not been operated in several years and its condition is unknown. Authority staff believe the structure is in very poor condition and operation of the gate may result in it becoming 'frozen' in the open position, which has the potential to cause a significant disruption in the operation of the Canal. Ms. Hajdusek noted that Authority staff has approached the private landowner about purchasing that portion of the raceway (including the sluice gate structure) from him. Ms. Hajdusek noted that the area is approximately 0.88 acres.

Ms. Hajdusek stated that the NJDEP is in favor of the Authority pursuing the acquisition of the portion of the lot in a fee simple conveyance without NJDEP's direct involvement and that the Authority is seeking advice from its Deputy Attorney General regarding the potential implied rights it may already possess under the principle of adverse possession. If these rights are confirmed, it may become unnecessary for the Authority to purchase the property.

Ms. Hajdusek stated that an appraisal is being commissioned, and upon agreement with the private landowner, additional due diligence will be conducted. Ms. Hajdusek noted that upon resolution of contract issues, including acceptable results from its due diligence efforts, staff will prepare a separate resolution for the Board approving execution of closing documents and related actions for the property prior to title closing.

Ms. Hajdusek stated that staff recommends approval of a resolution authorizing the execution of a contract with the property owner and other documents, as necessary and that an appropriate resolution is included for Board consideration. Ms. Hajdusek noted that there is also an exhibit in the Board packet that depicts the general vicinity of the acquisition.

Ms. Blew moved the resolution authorizing the Executive Director to execute a contract for the acquisition of a fee simple interest in a property in the City of Lambertville, Hunterdon County, New Jersey. Mr. Iacullo seconded the motion. All Authority members approved the resolution.

Mr. Gates provided the background information for the resolution authorizing Contract Modification No. 26 (Change Order Request Nos. 37, 39, 40, 41, 42, & 46) - Construction contract for Round Valley Reservoir Structures Refurbishment & Resource Preservation Project -

Earthen Dam Rehabilitation & Ancillary Work, Clinton Township, Hunterdon County, New Jersey, WSA-C19030.

Mr. Gates explained that the change order involved a long and complicated negotiating process and that the Capital Projects Committee was briefed on this change order along with the previous DAG, Katherine Hunt, and the previous GAU representative Laura Wilton.

Mr. Gates stated that the subject contract modification consists of six individually submitted change order requests related to diving or underwater work at the North and South dams. Mr. Gates explained that because they all involve the same diving subcontractor, the prime Contractor elected to combine these change orders into a single negotiation.

Mr. Gates stated that Authority review and request for required backup documentation regularly resulted in changed Contractor requests in revised amounts, ranging from a low of \$515,000 to over \$735,000.

Mr. Gates stated that after this iterative negotiation, and after the previously noted consultation with the Capital Projects Committee, Authority staff presented a best and final offer, of \$453,500, on June 24, 2024. Mr. Gates noted that the Contractor responded on February 4, 2025, rejecting the offer, reiterating their previous settlement request of no less than \$515,000.

Mr. Gates stated that staff responded on March 11, reaffirming the Authority's best and final offer, which the Contractor accepted in writing on October 9. Mr. Gates stated that the final change order amount of \$453,500.00, and no change to the contract schedule, has been reviewed by Schnabel Engineering and Authority staff and found to be fair and appropriate. Mr. Gates stated that the change order will raise the total contract amount to \$67,950,244.54 and that an appropriate resolution has been prepared for Board consideration.

Mr. Havens moved the resolution authorizing the Executive Director to execute Contract Modification No. 26 (CORs 37, 39, 40, 41, 42, & 46) with Thalle Construction Company, Inc. of Hillsborough, North Carolina, for Construction Services necessary for the Round Valley Reservoir Structures Rehabilitation & Resource Preservation Project - Earthen Dam Rehabilitation & Ancillary Work, Clinton Township, Hunterdon County, New Jersey, by a lump sum cost amount of \$453,500.00, and no change to the contract schedule. The change order will raise the total contract amount to \$67,950,244.54. Mr. Iacullo 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

There was no public comment.

ADJOURN

Mr. Iacullo moved to adjourn the meeting. Ms. Blew seconded the motion. All Authority members approved the motion. The meeting was adjourned at 2:27 P.M.

I hereby certify this to be a true and original copy of the November 3, 2025 New Jersey Water Supply Authority meeting minutes.



Robin Greg
Finance & Accounting Analyst