



NEW JERSEY WATER SUPPLY AUTHORITY

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Minutes of the Meeting of the New Jersey Water Supply Authority

October 1, 2018

A regular meeting of the New Jersey Water Supply Authority was convened on October 1, 2018 at 2:00 P.M. 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 Kathleen Frangione, Acting Commissioner New Jersey Department of Environmental Protection and Acting 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 Jung Kim read the statement required by the "Open Public Meetings Act". Executive Director Beth Gates took the roll call of the Authority members.

Present: Jeffrey Hoffman, Acting Chair
Susan Blew - by phone
Ellsworth Havens
Shing-Fu Hsueh - by phone
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

Authority Staff Present:

Beth Gates, Executive Director
Susan Buckley, Director, Finance and Administration
Michelle Rollman, Finance and Accounting Analyst
Marc Brooks, Chief Engineer
Paul McKeon, Director Manasquan Water Supply System/D&R Canal
Kenneth Klipstein, Director of Watershed Protection
Jung Kim, Deputy Attorney General
Lauren LaRusso, Governor's Authorities Unit

APPROVAL OF THE MINUTES

Acting Chair Hoffman asked for a motion for approval of the Minutes of the August 6, 2018 meeting. Ms. Blew moved the motion approving the Minutes as prepared and the motion was seconded by Mr. Iacullo. The Minutes of the August 6, 2018 meeting were approved by the Board. Commissioner Hsueh abstained.

EXECUTIVE DIRECTOR'S REPORT

Ms. Gates stated that everyone has a copy of her report and that she had no supplemental information.

COMMUNICATIONS/CORRESPONDENCE

Ms. Gates stated that a memorandum was received from the Director of the State Ethics Commission regarding the compliance of the Authority with State ethics requirements.

UNFINISHED BUSINESS

Mr. McKeon provided the operations report for the Manasquan Water Treatment Plant/Transmission System. Mr. McKeon stated that the Manasquan Reservoir is full. Mr. McKeon stated that in anticipation of reservoir turnover due to water temperature changes, river water is being utilized at the Manasquan Water Treatment plant and screens at the top level of the reservoir are open to ensure that New Jersey American Water is receiving the best quality water possible. Mr. McKeon noted that operations are running smoothly.

Mr. McKeon stated that the Authority has received some results from the formal dam inspection that was held in May. The consultant has recommended some minor changes to the existing embankment instrumentation monitoring system which will be addressed over the coming months.

Mr. Brooks reported on the Raritan Basin System operations. Mr. Brooks stated that everyone has a copy of his written report. Mr. Brooks noted the recent rainfall and stated that Spruce Run Reservoir is only not full because staff has been releasing to keep a small buffer in the reservoir available to receive major rain events such as hurricanes. This reduces stress on the system infrastructure. As of Friday morning, September 28, Spruce Run was at elevation 271.5 or 93.8 percent of capacity. Round Valley was at elevation 374.55 or 85.9 percent of capacity. The combined reservoir capacity was 87.2 percent. The typical combined capacity for this date is 88.9 percent.

Mr. Brooks stated that Canal crews just completed cleaning up the trees that fell during the April Nor'easters. The labor

intensive process of cleaning leaves will begin shortly.

Mr. Brooks reported on the Canal Dredging Project. Dredging started during the week of July 9. Three dredges have been operating since July 23. Mr. Brooks stated that the contractor is somewhat behind schedule. The amount of dredging anticipated to be completed by the end of this season is likely to represent approximately 70 percent of what they had on their schedule at the start of the season. The Contractors experienced several temporary shutdowns, mostly resulting from equipment breakdowns, which totaled approximately eight to ten working days.

Mr. Brooks reviewed the status of the Spruce Run Administration Building Sanitary Sewer line Replacement. The contractor mobilized early in September and completed the work in a timely manner. No change orders were issued. Mr. Brooks noted that a resolution would be before the Board during New Business, seeking approval of a resolution ratifying the actions of the Executive Director in executing the contract.

Mr. Brooks discussed the Round Valley Reservoir Dams-Rehabilitation and Resource Preservation Project. Mr. Brooks stated that the design engineer is working on a modified version of the original design that is expected to save approximately \$20 Million in construction costs. Drill rigs are mobilizing today to perform work requested by the Technical Review Board. It is anticipated that this work will rule out a specific construction potential failure mode and provide further information that will help with the design. The rigs will be installing a line of piezometers at a specific depth and performing a pump test to provide information for the dewatering design.

Mr. Brooks stated that staff has advertised and is receiving prequalification proposals from potential drilling and grouting contractors who desire to be pre-qualified for the drilling and grouting portion of the work on the RV embankment abutments. The plans and specs for the grouting project are very near complete and the Authority anticipates going out to bid once the final "Authorization to Advertise" from the Municipal Finance Element at NJDEP is received.

Mr. Brooks stated that the dredging project plans for the channel near the South Dam Tower are also near complete and permit applications have been submitted to NJDEP. The Authority has advertised a request for proposals seeking proposals from security firms to conduct background checks for construction contractors on the security project and on the embankment modifications project. Pre-final plans are being reviewed for the security project and the Authority expects to go out to bid after the security firm conducting background checks is procured.

Mr. Brooks stated that the Landing Lane Spillway Project draft schematic design was reviewed by staff and returned to the consultant and they are working on the design.

Mr. Brooks stated that the contractor for the Griggstown Waste Gate seepage project completed the project within the original contract. The Chairman of the Capital Projects Committee approved a change order based on expectations that additional grouting would be needed, but ultimately was not.

Mr. Brooks noted that change orders are described in his written report and offered to answer any questions.

Mr. Klipstein reported on the Watershed Management Program. Mr. Klipstein thanked the Board for their support of the two non-point source grants from the New Jersey Department of Environmental Protection ("NJDEP"). Mr. Klipstein stated that the contracts have been received by the Authority for execution.

Mr. Klipstein stated that the seasonal treatment of the D&R Canal for Hydrilla ended on September 30. Follow-up monitoring will continue. The four-acre pilot Hydrilla treatment in Manasquan was completed in mid-September and the results are still being assessed. Mr. Klipstein anticipates that the results of that program will be beneficial in developing a reservoir-wide aquatic plant and harmful algal bloom management plan.

NEW BUSINESS

Mr. McKeon provided the background information on the resolution authorizing the Executive Director to enter into a contract for Professional Engineering Services required for consideration of alternatives for increased filter capacity at the Manasquan Water Treatment Plant, Wall Township, Monmouth County. Mr. McKeon reviewed the asset management plan. Mr. McKeon discussed the filter underdrain failure that occurred a few years ago. Staff determined it would be beneficial to conduct a study to evaluate the need for added filter capacity as well as to determine the most cost effective and operationally consistent means of increased filter capacity at the Manasquan Water Treatment Plant. Mr. McKeon stated that this proposal was presented to the Southeast Monmouth Municipal Utilities Authority ("SMMUA") Board and that the SMMUA town water system operators and engineering consultant concurred.

Mr. McKeon stated that seven consultants responded to a solicitation for Statements of Qualifications and Technical Proposals. The Technical Proposals were evaluated by a committee composed of Authority staff members and a member of the SMMUA Board. The top three firms were invited to submit fee proposals. O'Brien & Gere of Hunt Valley, Maryland provided the top ranked Technical Proposal and the lowest fee proposal.

Mr. Havens moved the resolution authorizing the Executive Director to enter into a contract with O'Brien & Gere of Hunt Valley, Maryland for a reimbursable cost not to exceed \$60,800.00. Mr. Iacullo seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. McKeon provided the background information on the resolution authorizing the Executive Director to enter into a contract for replacement of a heating air handler unit at the Manasquan Water Treatment Plant, Wall Township, Monmouth County. Mr. McKeon stated that the Manasquan asset management plan provides for the replacement of general mechanical equipment. Mr. McKeon stated that an air handler heating unit that serves the filter and filter pump room is thirty years old, rusted, and requires replacement. The Authority advertised for bids to provide and install a replacement air handler. Two bids were received on June 13, 2018. The low bid from Steve Wajda, LLC of Middletown, New Jersey, was found to be in compliance with the requirements of the technical specifications.

Mr. Havens moved the resolution authorizing the Executive Director to enter into a contract with Steve Wajda, LLC of Middletown, New Jersey for the replacement of a heating air handler unit for a lump sum price of \$91,250.00. Mr. Iacullo seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Brooks provided the background information on the resolution ratifying the actions of the Executive Director in Executing a Construction Contract required for the Emergency Construction Services for sanitary sewer lateral replacement and wall penetration relocation at the NJWSA Spruce Run Administration Building in Clinton Township, Hunterdon County. Mr. Brooks stated that the Authority's Spruce Run Administration Building is serviced by a sanitary sewer lateral which connects to a sanitary sewer main in Route 31. Mr. Brooks stated that an original cast iron pipe that runs under the slab of the building became clogged twice between April and June which caused backups of sewage. Staff engineers investigated the existing plumbing and sewer lateral location and proposed to reroute the interior plumbing outside the footprint and to the front of the building. The Executive Director certified that this was an emergency condition that met the requirements as set out in Executive Order 37. On July 6, 2018, the Executive Director received approval from the Capital Projects Committee to procure the construction contractor on an emergency basis.

Mr. Brooks stated that Authority engineers prepared plans for the emergency repair and on July 17, 2018, construction bids were sent to thirteen contractors. Three sealed bids were received on July 26, 2018 ranging from \$75,549 to \$96,758. On a recommendation

from engineering staff, a contract was executed by the Executive Director with KDP Developers, Inc. in the amount of \$75,549.00 on July 31, 2018.

Mr. Brooks stated that the entire Board was briefed by the Chief Engineer on the proposed procurement during the operations report at the August 6, 2018 Authority Board meeting. The work has been completed and the repaired line is working well.

Mr. Havens moved the resolution ratifying the actions of the Executive Director in executing the contract with KDP Developers, Inc., of Phillipsburg, New Jersey in the amount of \$75,549. Ms. Blew seconded the motion for the Resolution. All Authority members approved the Resolution.

Mr. Brooks provided the background information on the resolution authorizing the Executive Director to execute Amendment No. 9 to Contract WSA-C09012 for Professional Engineering Services required 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. Mr. Brooks stated that during the planning and design phase of the D&R Canal Dredging project, expanded support was necessary to complete the planning and design work required through the end of 2017 prior to the award of the contract. Work to satisfy the design and permitting requirements extended into November 2017, beyond the previously anticipated August 2017 completion timeline. Mr. Brooks noted that the specific items are detailed in the resolution memorandum. Mr. Brooks also noted that great efforts were made to ensure that no additional delays were incurred to the project.

Mr. Iacullo moved the resolution authorizing the Executive Director to amend the contract with Urban Dredging Consultants Joint Venture for professional services required 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 by a reimbursable cost not-to-exceed amount of \$65,331.70 to bring the total to a reimbursable cost not-to-exceed amount of \$3,563,043.70. Mr. Havens seconded the motion for the Resolution. All Authority members approved the Resolution.

Ms. Buckley provided the background information on the Resolution awarding a contract for Insurance Agent/Broker Services. Ms. Buckley stated that the Authority remarkets its property and casualty insurance program every three years with the assistance of its risk management consultant. A Request for Proposals was mailed and advertised on August 7, 2018. Three responses were received by the deadline. Authority staff evaluated and ranked the proposals. Willis of New Jersey, Inc. was ranked the highest based on the criteria and submitted the lowest fee proposal.

Ms. Blew moved the Resolution authorizing the Executive Director to execute an insurance brokerage agreement with Willis of New Jersey, Inc. for the Authority's 2019, 2020, and 2021 Insurance Program for \$42,000, \$40,000 and \$40,000 respectively. Mr. Havens seconded the motion for the Resolution. All Authority members approved the Resolution.

COMMITTEE REPORTS

- (a) Personnel - no report
- (b) Finance - Ms. Gates stated that the Finance Committee met earlier in the day. Staff presented the rate proposals for fiscal year 2020 which represent no change to the prior year. The rates will be presented to the Board at the November meeting.
- (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

There was no public comment.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURN

Mr. Havens moved to adjourn the meeting. Mr. Iacullo seconded the motion. All Authority members approved of the motion. The meeting was adjourned at 2:25 P.M.

I hereby certify this to be a true and original copy of the October 1, 2018 New Jersey Water Supply Authority meeting minutes.

Michelle Rollman
Michelle Rollman
Finance and Accounting Analyst