

NEW JERSEY WATER SUPPLY AUTHORITY

HEARING OFFICER'S REPORT

AMENDMENTS TO N.J.A.C. 7:11-2.1 et seq. IN THE SCHEDULE OF  
RATES, CHARGES AND DEBT SERVICE ASSESSMENTS  
FOR THE SALE OF WATER FROM THE RARITAN BASIN SYSTEM

ADJUSTMENT OF GENERAL RATE SCHEDULE FOR  
OPERATIONS AND MAINTENANCE FOR  
SALES BASE AND OPERATING EXPENSES FOR FISCAL YEAR 2023

ADJUSTMENT OF DEBT SERVICE ASSESSMENT AND SALES BASE FOR  
DEBT SERVICE PAYMENTS DUE AND REQUIRED FOR FISCAL YEAR 2023

ADJUSTMENT OF GENERAL RATE SCHEDULE FOR  
CAPITAL FUND COMPONENT FOR FISCAL YEAR 2023

ADJUSTMENT OF SOURCE WATER PROTECTION FUND COMPONENT  
FOR FISCAL YEAR 2023

Effective Date: July 1, 2022

Hearing Officer: Ellsworth Havens

**Table of Contents**

I. INTRODUCTION..... 1  
II. DISCUSSION..... 2  
III. FINDINGS AND CONCLUSIONS..... 4  
IV. RECOMMENDATIONS..... 5

Exhibits:

Resolution Proposing Rate Adjustments Exhibit A  
Basis and Background Document in Support of Rate Adjustment Exhibit B  
Advertisement and Certification Exhibit C  
New Jersey Register Notice Exhibit D  
Minutes of Pre-Public Hearing Meeting Exhibit E  
Transcript of Public Hearing Exhibit F  
Testimony and Correspondence Exhibit G  
Staff Memorandum to Hearing Officer (3/16/22) Exhibit H  
Draft Resolution Adopting Rate Adjustments Exhibit I  
Draft Resolution Adopting FY2022 Budget Exhibit J

## I. INTRODUCTION

The New Jersey Water Supply Authority ("Authority") has proposed various amendments to its Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System for Fiscal Year (FY) 2023 in a memorandum dated March 16, 2022 (Final Proposal). For the reasons set forth herein, I recommend approval of staff's Proposal.

The Authority's Board authorized proceeding with this rate setting process at its November 1, 2021 meeting through formal resolution (Exhibit A).

As a component of the Authority's formal rate adjustment procedure, the Authority is required to provide official notice and an explanation outlining the need for the Proposal to all contractual water customers, the Secretary of State, the Division of the Ratepayer Advocate, the Board of Public Utilities and other interested parties at least six (6) months prior to the proposed effective date (N.J.A.C. 7:11-2.12(a) (1)). Staff's November 2021 proposal (included in Exhibit B) was available for review on the Authority's website on December 16, 2021.

Official Notice of the Proposal was made through advertisement in the Star Ledger, the Times (Trenton) and the Hunterdon County Democrat. A certification of publication is set forth in Exhibit C.

Notice of the Proposal also appeared in the January 3, 2022 edition of the New Jersey Register (Exhibit D).

A mailing to the contractual water customers, the Secretary of State, the Division of the Ratepayer Advocate, the Board of Public Utilities and interested parties was made on December 16, 2021 and included an invitation to a pre-public hearing meeting, pursuant to N.J.A.C. 7:11-2.13(a)4, that was conducted by the Director of Finance and Administration on January 7, 2022. No members of the public attended the pre-public meeting on January 7, 2022. Minutes of the pre-public meeting are set forth in Exhibit E.

A public hearing was conducted on February 4, 2022 at 10:00 a.m. via the WebEx meeting platform. No members of the public attended. A stenographic record of the proceedings was made and is attached in Exhibit F.

No items of correspondence were received during the rate process and prior to the close of the Public Comment Period.

The final Staff Memorandum to me was dated March 16, 2022 and is set forth in Exhibit H.

A draft resolution approving the Proposal is set forth in Exhibit I for the Authority's consideration at its May 2, 2022 meeting.

A draft resolution for the approval of the FY2023 Budget by the Authority's Board is set forth in Exhibit J.

## **II. DISCUSSION**

### A. Staff Proposal

Staff proposes various adjustments to the N.J.A.C. 7:11-2.1 et seq. ("the Rules"), which are generally discussed herein and more particularly set forth in the attachments hereto.

The General Rate Schedule for O&M was last adjusted effective July 1, 2021 to fund the Authority's operating expenses of the Raritan Basin System ("System") for FY2022. The FY2022 Operations and Maintenance ("O&M") sales base was 182.339 million gallons per day ("mgd"). The Authority's O&M sales base was proposed to remain the same at 182.339 million gallons per day in the November 2021 Basis and Background document. Since the November 2021 Basis and Background document, there is no change in the sales base. The O&M Component was proposed to remain the same at \$194.00/mg for FY2023 in the November 2021 Basis and Background document. Staff recommends no change from the original proposal for a final FY2023 O&M Component of \$194.00/mg.

The NJEIFP Debt Service Assessment is used to repay loans issued to the Authority. The Authority has made two separate applications for funding: one for the Delaware and Raritan Canal Capital Program, specifically, a dredging program in Franklin Township, Somerset County, New Jersey. The second application is to finance the Round Valley Reservoir Structures Refurbishment and Resource Preservation Project in Clinton Township, Hunterdon County, New Jersey. The Authority anticipates the FY2023 sales base for the Debt Service Assessment remain the same at 182.339 mgd, which is no change from the recommendation included in the November 2021 Basis and Background document. In the November 2021 Basis and Background document, staff proposed a total NJEIFP Rate Component of \$85.00/mg for FY2023 of which \$25.00/mg is earmarked for the dredging program and \$60.00/mg is earmarked for the Round Valley Reservoir project. This is no change versus FY2022.

The final loan amount for the dredging project is

approximately \$36 million because the actual project total cost was lower than anticipated. The Round Valley Reservoir project is expected to cost approximately \$75 million. Funding through the NJEIFP would allow a portion of the loan to be at zero interest and a portion of the loan to be at market rate with the blended rate at favorable terms. Final closing on the dredging loan occurred in FY21, and interim closings on the Round Valley loan occurred in June 2019 and July 2020. The Authority proposes maintaining the rate component of \$85.00 per million gallons in FY2023 to ensure that sufficient funds are available to make debt service payments on both projects as they come due after final financing occurs.

The Authority's Capital Fund Rate Component is used to fund the Authority's Capital Improvement Program in lieu of incurring long-term debt. In the November 2021 Basis and Background document, staff proposed \$33.00/mg for FY2023, no change from FY2022, and recommends no change in the proposal for a final FY2023 Capital Fund Component Assessment of \$33.00/mg.

The Source Water Protection Fund Component was established to fund planning initiatives and acquisitions of properties deemed critical to water quality and quantity in the Raritan Basin System. Since 2003, the Authority has purchased, with its project partners, over 4,100 acres of land. The Authority has issued over \$17,000,000 in bonds and loans to the Trust and the State for land acquisition. In the November 2021 Basis and Background document, staff proposed \$24.00/mg for FY2023, no change from FY2022, and recommends no change in the proposal for a final FY2023 Source Water Protection Fund Component of \$24.00/mg.

In FY2023, the Source Water Protection Fund component of the rate is anticipated to generate approximately \$1,597,000. Of that amount, approximately \$1,300,000 is earmarked by the Authority's Board for costs associated with the land program (debt service, soft costs and administrative) and approximately \$300,000 is earmarked for watershed protection projects. In FY2023 the annual amount of debt service on acquired land is projected to be approximately \$925,000. In FY2023, recurring revenue will support the entirety of debt service. Any future land acquisition will need to be evaluated in the context of a long term plan and the balance of rate needs for other projects.

The cumulative effect of staff's recommended base rate component changes results in no change in the total rate in FY2023 of \$336.00/mg. This reflects no change from staff's November 2021 proposal.

The Authority is proposing no other rule amendments.

B. Comment by Interested Parties / Members of the Public

No members of the public attended the pre-public meeting on January 7, 2022.

No members of the public attended the public hearing on February 4, 2022.

No items of public comment or correspondence were received.

**III. FINDINGS AND CONCLUSIONS**

1. The public record does not contain any adverse comments concerning staff's justification for the sales base and proposed Operations and Maintenance Expense Component of the Rate. The Raritan Basin System Operations and Maintenance Component rate was last increased on July 1, 2017 from \$171.00/mg to \$194.00/mg and no change is recommended for July 1, 2022 (FY2023). Each year, as a requirement of Executive Order 37 (2006) and as a matter of sound business practice, the Authority performs an analysis of the budget to identify and implement cost savings measures. The Authority continues to realize health benefit savings for both active employees and retirees. The Authority continues to use one-time revenue to support the operating budget in order to keep the Operations and Maintenance Expense Component of the rate as stable as possible. The Authority has provided its water customers and interested parties with documentation that describes the actions taken by the Authority to manage the O&M Component Rate. I find the sales base and Operations and Expense Component of the Rate to be appropriate.<sup>1</sup>
2. The public record does not contain any adverse comments concerning staff's justification for the adjustments to sales base and proposed NJEIFP Debt Service Assessments. Moreover, the Authority is required by its Bond Resolutions to adopt rates that fully cover its Debt Service payments. I find the FY2023 NJEIFP Debt Service Assessments and associated sales base to be appropriate.
3. The public record does not contain any adverse comments concerning staff's justification for the Capital Fund Component of the Rate. I find the proposed FY2023 Capital Fund Component to be appropriate.

---

<sup>1</sup> In recent years, the actual O&M Component adjustments have been minimized due to credits for receipts of unanticipated revenues from the sale of water in excess of contractual supplies during the previous fiscal years and other sources.

4. The public record does not contain any adverse comments concerning staff's justification for the Source Water Protection Fund Component of the Rate. I find the proposed FY2023 Source Water Protection Fund Component to be appropriate.
5. The Authority's proposed rate adjustments are affirmed in Section IV below, reflecting the assessment of reasonable total rates for the preservation of the reliability of this vital supply of water for a large portion of the State's population and enhancing the Authority's fiscal position for the future issuance, when needed, of long-term debt.

#### **IV. RECOMMENDATIONS**

1. Resolution No. 2513 dated 11/1/21 authorized \$1,286,340 in unanticipated revenues from prior years to be appropriated into the Rate Stabilization Fund, all of which would be used in the FY2023 budget, and authorized the publication of the proposed FY2023 rates in the New Jersey Register. The resolution adopting the final rates will authorize \$1,286,340 in unanticipated revenues to be appropriated into the Rate Stabilization Fund for use in FY2023.
2. The Authority must adopt rates that fully cover its annual Operations and Maintenance expenses and Debt Service payments as required by the Bond Resolution.
3. The proposed FY2023 Operations and Maintenance Expense Component of \$194.00 per million gallons as recommended in the November 1, 2021 proposal should not be adjusted and as such no further Rule change is necessary.
4. The proposed FY2023 Debt Service Assessment for the NJEIFP of \$85.00 per million gallons for the Round Valley Reservoir Project and the D&R Canal Dredging Project as recommended in the November 1, 2021 proposal should not be adjusted and as such no further Rule change is necessary.
5. The FY2023 sales base for the O&M Component and Debt Service Assessment of 182.339 million gallons per day represents no change to the FY2022 sales base and should not be adjusted relative to the original FY2023 proposal.
6. The proposed FY2023 Capital Fund Component of \$33.00 per million gallons as recommended in the November 1, 2021 proposal should not be adjusted and as such no further Rule

change is necessary.

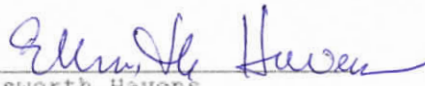
7. The FY2023 Source Water Protection Fund Component of \$24.00 per million gallons as recommended in the November 1, 2021 proposal should not be adjusted and as such no further Rule change is necessary.
8. The total recommended rate effective July 1, 2022 should remain the same relative to the original November 1, 2021 proposal of \$336.00 per million gallons and as such no further Rule change is necessary.

SUMMARY OF RECOMMENDED RATE ADJUSTMENTS

| Component                                   | Current Rates Per<br>MG<br>7/1/21 - 6/30/22 | Originally Proposed<br>Rates Per MG<br>7/1/22 - 6/30/23 | Recommended Rates<br>per MG<br>7/1/22 - 6/30/23 |
|---|---|---|---|
| Operations & Maintenance Assessment         | \$194.00                                    | \$194.00  | \$194.00  |
| NJEIFP Debt Service Assessment Dredging     | \$ 25.00                                    | \$ 25.00  | \$ 25.00  |
| Debt Service Assessment RV Dam Improvements | \$ 60.00                                    | \$ 60.00  | \$ 60.00  |
| Capital Fund Component                      | \$ 33.00                                    | \$ 33.00  | \$ 33.00  |
| Source Water Protection Fund Component      | \$ 24.00                                    | \$ 24.00  | \$ 24.00  |
| Total Rate Per MG                           | \$336.00                                    | \$336.00  | \$336.00  |

The proposed Fiscal Year 2023 Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System, as discussed above, are hereby recommended for adoption by the Authority.

Respectfully submitted,

  
 Ellsworth Havens  
 Hearing Officer  
 March 16, 2022



Resolution Proposing Rate  
Adjustments

**Exhibit A**

RESOLUTION OF THE NEW JERSEY WATER SUPPLY AUTHORITY

NO.: 2513

DATE OF ADOPTION: November 1, 2021

TITLE: Resolution Authorizing Publication of Proposed Change in the Authority's Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System.

WHEREAS, N.J.S.A. 58:1B-7g and 58:1B-19 provide for the New Jersey Water Supply Authority ("Authority") to fix and revise from time to time its rates, fees and charges; and

WHEREAS, the Authority has estimated its revenue requirements for the 2023 State fiscal year beginning on July 1, 2022; and

WHEREAS, the sales base for the Operations and Maintenance, Debt Service Assessment, Capital Fund Component and Source Water Protection Component has remained at 182.339 million gallons per day since this component was last determined; and

WHEREAS, the Authority must provide for sufficient revenue and rate structure to cover its costs and long term capital needs.

NOW THEREFORE, be it resolved that the Authority proposes to amend its Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System in the existing regulations found at N.J.A.C. 7:11-2.1 et seq. dealing with primarily the following proposed changes:

1. Amend N.J.A.C. 7:11-2.3 of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System to maintain the sales base at 182.339 million gallons per day and maintain the Operations and Maintenance Component of the rate of \$194.00 per million gallons, for the period of July 1, 2022 through June 30, 2023; and

2. Amend N.J.A.C. 7:11-2.4(a), (b) and (c) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System to maintain the sales base of 182.339 million gallons per day and maintain the Debt Service Assessment Component of the rate of \$85.00 per million gallons, for the period of July 1, 2022 through June 30, 2023; and

3. Amend N.J.A.C. 7:11-2.5 of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System to maintain the Capital Fund Component of \$33.00 per million gallons, for the period of July 1, 2022 through June 30, 2023; and

4. Amend N.J.A.C. 7:11-2.6 of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System to maintain the Source Water Protection Fund Component of \$24.00 per million gallons, for the period July 1, 2022 to June 30, 2023; and

BE IT FURTHER RESOLVED, that the following actions are authorized:

1. Appropriate \$216,340 in unanticipated revenue from overdraft sales from the Operating Fund into the Rate Stabilization Fund.
  
2. Appropriate \$870,000 in prior year's year-end fund balances from the Operating Fund into the Rate Stabilization Fund.
  
3. Appropriate \$200,000 in Source Water Protection funds for salary/fringe grant expenditures from the Source Water Protection Fund into the Rate Stabilization Fund.
  
4. Apply \$1,286,340 appropriated into the Rate Stabilization Fund to the Operating Fund for Fiscal Year 2023.

Basis and Background Document in  
Support of Rate Adjustment Proposal

Exhibit B

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**BASIS AND BACKGROUND STATEMENT**

**PROPOSED AMENDMENTS TO N.J.A.C. 7:11-2.1 et seq. IN THE SCHEDULE OF  
RATES, CHARGES AND DEBT SERVICE ASSESSMENTS  
FOR THE SALE OF WATER FROM THE RARITAN BASIN SYSTEM**

**ADJUSTMENT OF GENERAL RATE SCHEDULE FOR  
OPERATIONS AND MAINTENANCE FOR  
SALES BASE AND OPERATING EXPENSES FOR FISCAL YEAR 2023**

**ADJUSTMENT OF DEBT SERVICE ASSESSMENT AND SALES BASE FOR  
DEBT SERVICE PAYMENTS DUE AND REQUIRED FOR FISCAL YEAR 2023**

**ADJUSTMENT OF GENERAL RATE SCHEDULE FOR  
CAPITAL FUND COMPONENT FOR FISCAL YEAR 2023**

**ADJUSTMENT OF SOURCE WATER PROTECTION FUND  
COMPONENT FOR FISCAL YEAR 2023**

**Effective Date: July 1, 2022**

**Approved: 11/1/2021**

**NEW JERSEY WATER SUPPLY AUTHORITY  
PROPOSED RATE ADJUSTMENTS FOR FISCAL YEAR 2023  
RARITAN BASIN SYSTEM**

**Table of Contents**

**Contents**

PART I - EXPLANATION OF PROPOSED REVISED RATE STRUCTURE ..... 3

    Overview of Rate Proposal for Fiscal Year 2023 ..... 3

    Summary of Proposed Adjustments..... 3

    Distribution of Headquarters General and Administrative Costs and Insurance Costs to all  
    Operating Systems ..... 5

    Analysis of Significant Changes in Operations and Maintenance Expenses..... 6

    Insurance Program ..... 7

    Interest Income..... 8

    Reserve Contributions..... 8

    Debt Service Assessments ..... 8

    Capital Fund Component ..... 9

    Source Water Protection Fund Component ..... 10

    Other Rule Amendments..... 10

PART II – DETAILED SUPPORTING INFORMATION ..... 11

    Table 1 - Summary Of Proposed Fiscal Year 2023 Adjustments..... 11

    Table 2 - Rate History of Water Charges per Million Gallons of Raw Water Daily..... 12

    Schedule Of Events..... 13

    Fiscal Year 2023 Budget Summary ..... 14

    Schedule 1 - Proposed Operating Expenses Budget – Fiscal Year 2023 Distributed by Cost  
    Center ..... 15

    Schedule 1A - Comparative Statement ..... 16

    Schedule 2 - List of Category 5340 Items Recommended Service & Maintenance Contracts 17

    Schedule 3 - List of Category 5380 Items Recommended Professional Services ..... 19

    Schedule 4 - Projected FY 2023 New Jersey Water Supply Authority Insurance Program..... 21

    Schedule 5 - Recap Of Allocation Of Headquarters General And Administrative Expenses  
    Charged To The Manasquan Water Supply System ..... 22

    Schedule 6 - Proposed Capital Equipment Budget ..... 23

|  |    |
|--|----|
| Schedule 7 - Estimate Of Interest Income For Fiscal Year 2023 Budget.....  | 24 |
| Schedule 8 - Unanticipated Revenue .....   | 25 |
| Schedule 9 - Fund Balances as of 6/30/21 .....   | 26 |
| Schedule 10 - Projected Fiscal Year 2023 Operations & Maintenance Component and Debt<br>Service Assessment Sales Base .....        | 27 |
| Schedule 11 - Operations And Maintenance Rate Component .....  | 29 |
| Schedule 12 - Debt Service Rate Component For NJEIFP Loan Repayment .....  | 30 |
| Schedule 13 - Capital Improvement Program.....   | 31 |
| PART III – PROPOSED RULE AMENDMENT .....   | 63 |
| APPENDICES .....   | i  |
| I. Report of Mercadien PC – Allocation of Headquarters General and Administrative<br>Expenses – FY2023 .....                       | i  |
| II. Report of Mercadien PC – Allocation of Headquarters General and Administrative<br>Expenses – Audited FY2021 Expenditures ..... | ii |



## **PART I - EXPLANATION OF PROPOSED REVISED RATE STRUCTURE**

### **Overview of Rate Proposal for Fiscal Year 2023** **(July 1, 2022 - June 30, 2023)**

The New Jersey Water Supply Authority (Authority) is proposing to adjust its Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System, to cover expenses for the Fiscal Year (FY) starting on July 1, 2022.

#### **Summary of Proposed Adjustments**

| <b>Component</b>  | <b>Current (FY2022) Rates Per MG<br/>7/1/2021 - 6/30/2022</b> | <b>Proposed (FY2023) Rates Per MG<br/>7/1/2022 - 6/30/2023</b> |
|---|---|--|
| Operations & Maintenance Assessment                           | \$194.00  | \$194.00   |
| Debt Service Assessment Dredging & RV Structure Refurbishment | \$85.00   | \$85.00  |
| Capital Fund Component  | \$33.00   | \$33.00  |
| Source Water Protection Fund Component                        | \$24.00   | \$24.00  |
| Total Rate  | \$336.00 /mg  | \$336.00 /mg   |

The General Rate Schedule for Operations and Maintenance (O&M) was last adjusted effective July 1, 2021 to cover the operating expenses of the System for FY2022. The FY2023 O&M sales base of will remain at 182.339 million gallons per day (mgd). The O&M Component is projected to remain the same for FY2023 at \$194.00 per million gallons.

With the allocation of appropriate Headquarters expenses and insurance costs to the Manasquan Reservoir Water Supply System, the projected operating costs for FY2023 require that an O&M Component of \$194.00 per million gallons be charged starting on July 1, 2022.

In recent fiscal years, the actual O&M Component adjustments have been minimized because of credits for receipts of unanticipated revenues from the sale of water in excess of contractual amounts, positive budget variances during the preceding fiscal years or from uses of other one-time sources of revenue. These credits have the effect of obscuring the full O&M Component adjustment needed and as a result Raritan Basin System rates do not represent full cost pricing. The amount available for the Rate Stabilization Fund was \$1,262,390 in FY2022, and the amount available in FY2023 will be \$1,286,340. Overdraft sales decreased from \$312,394 in FY2022 to \$216,337 in FY2023. An additional \$1,070,000 in prior year positive budget variance and source water protections transfers are used in FY2023 to offset the O&M component. Without the use of any rate stabilization funds in FY2023, the required O&M Component of the rate would be an additional \$19.33 per million gallons, for a total of \$213.33 per million gallons.

The Authority established the Source Water Protection Fund Component in FY2003 to protect the quality and quantity of waters in the Raritan Basin System. The Authority is proposing no increase in this component of the Rate of \$24.00 per million gallons in FY2023. The rate component supports debt service on acquired critical watershed parcels and matching dollars for watershed protection projects.

The Authority has issued final bonds through the New Jersey Infrastructure Bank (NJIB) to finance the dredging of a 10.5-mile segment of the Delaware and Raritan Canal (D&R Canal) between Kingston at Lincoln Highway and Amwell Road in Franklin Township, Somerset County, New Jersey. The Authority has also submitted an application to the NJIB to finance the refurbishment of structures within the Round Valley Reservoir complex. The Authority proposes maintaining the NJIB rate component at \$85.00 per million gallons (\$60.00 per million gallons for the Round Valley refurbishment project and \$25.00 per million gallons for the dredging project) to fund the debt service in FY2023 for both projects.

Finally, the Authority established a "Capital Fund Component" of the rate commencing July 1, 1994. This Component is used to fund the Authority's current Capital Improvement Program without incurring long-term debt. The Capital Fund Component was increased in FY2008 from \$21.00 to \$33.00 per million gallons, funded from the 1981 Bond Act debt service savings. The rate component was reduced to \$30.00 per million gallons in FY2012 to accommodate pressure on the O&M Component in order to keep the overall rate at \$231.00 per million gallons. The Authority increased this component of the rate from \$30.00 to \$33.00 per million gallons in FY2016 and proposes to keep it at the same rate of \$33.00 per million gallons in FY2023.

Table 1 on page 11 shows the maintenance of a stable rate for each of the rate components and reflects a total rate of \$336.00 per million gallons for FY2023.

The balance of this document contains a further discussion of the individual rate components, a schedule of events and detailed supporting information for the proposed rate adjustments.

A pre-public hearing on the proposed rate adjustments is scheduled at 10:00 a.m. on Friday, January 7, 2022.

A public hearing on the proposed rate adjustments is scheduled at 10:00 a.m. on Friday, February 4, 2022.

Further information regarding the dial-in information or location for the pre-public hearing meeting and for the public hearing will be posted on the Authority's website at <https://www.njwsa.org/public-notices.html> at least 15 days prior to the date of the meeting/hearing.

The New Jersey Register Comment Period is scheduled to close on March 4, 2022 and the public hearing record on the proposed rate adjustments is scheduled to close on March 15, 2022.

Final action on the rate adjustment is scheduled for the Authority's May 2, 2022 meeting. The FY2023 rate will take effect on July 1, 2022.

### **Distribution of Headquarters General and Administrative Costs and Insurance Costs to all Operating Systems**

On July 1, 1990 the Authority placed the Manasquan Reservoir Water Supply System in operation to provide an untreated water supply for use throughout Monmouth County. In addition to this major System, the Authority also began operation of the Water Treatment Plant and Transmission System for the Monmouth County Improvement Authority (MCIA) on July 1, 1990. The Boroughs of Brielle, Spring Lake, Spring Lake Heights, Sea Girt and Wall Township entered into agreements with the MCIA for this treatment/transmission system, which treats and conveys their portion of the supply from the Manasquan Reservoir System. In December 2008, the five member communities created the Southeast Monmouth Municipal Utilities Authority and in September 2009 purchased the Water Treatment Plant from the MCIA and the Authority continues to operate the Water Treatment Plant. The Authority is operating, maintaining and managing three distinct Systems each with its own budget, cost accountability and revenue stream.

The Authority's Headquarters' staff located in Clinton provides general and administrative support services for all three Systems. These services include, but are not limited to, Financial Management, Payroll, Human Resources, Purchasing, Contract Administration, Risk Management and overall management. In order to equitably assess each of the three Systems, the Authority previously retained the services of an auditing firm to develop a methodology for the allocation of the Headquarters General and Administrative costs to all three operating Systems. After the close of each fiscal year, the Authority's auditors provide the Authority with their findings as to the adjustment, if any, to the allocation factors and the actual audited expenditures for the fiscal year.

The audit report for the immediately preceding fiscal year ending June 30 is available during November. Each September the Authority formulates the proposed budgets for the upcoming fiscal year starting on the following July 1. The adjusted allocation factors, if any, and the audited expenditures for the previous fiscal year are used to establish a debit or credit for each of the three operating Systems. This debit or credit is applied to the budgets being prepared each September for the upcoming fiscal year starting on July 1.

An independent accounting firm performed the Authority's FY2021 audit. The audit included a review of the allocation factors as well as the actual audited expenditures. The appropriate adjustments have been made to the FY2023 budget based on the FY2021 audit. A copy of the Auditor's report on the allocation of the Headquarters General and Administrative costs is included in the Appendices to the rate proposal package for each System.

Insurance costs are also allocated to each System based upon the recommendations of the Authority's Risk Management Consultant. See the rate proposal package for more information on insurance charges.

**Analysis of Significant Changes in Operations and Maintenance Expenses**  
**Raritan Basin System**

Overview of Projected Operational Expenses

The Authority's proposed FY2023 Raritan Basin System Operating Expense Budget is increasing by \$431,748 from FY2022. The Total Budget Requirement, which is net of the allocation of appropriate Headquarters General and Administrative expenses to the Manasquan Water Supply System, and includes capital equipment and contribution to reserves, is \$14,320,922. This is \$17,586 more than the FY2022 budget of \$14,303,336. The Capital Equipment budget of \$29,738 is \$339,162 less than the FY2022 budget of \$368,900 and utilizes \$410,000 from the Authority's capital equipment reserve as a funding source. The proposed contributions to the Reserve for Formal Dam Inspections (\$10,000), Capital Equipment Reserve (\$150,000) and the Pumping Reserve (\$150,000) remain at FY2022 levels. There are no contributions scheduled for the Depreciation Reserve and the Self-Insurance Reserve in FY2023. These Reserves last received a \$100,000 and \$150,000 contribution in FY2011, respectively, but are sufficiently funded at the present time. There are no proposed contributions to the Operations and Maintenance Reserve, Major Rehabilitation Reserve or the Pension Reserve. The reserve for capital equipment purchases established in FY2015 requires an additional year of funding with a simultaneous direct expenditure for capital equipment because six years of stable rates from FY2009 through FY2014 caused deferral of equipment purchases. It is still the Authority's intention to fund the reserve at an annual level of \$150,000 to eliminate rate fluctuations associated with the annual change in level of capital equipment purchases once the reserve is adequately funded. In FY2017 for the first time, the Authority funded a reserve for other post-employment benefits (accumulated sick leave payout for retirees) of \$181,000. There are no proposed contributions to this reserve for FY2023. All of these modifications result in a total FY2023 budget requirement of \$14,320,922 which is an increase of .1 percent relative to FY2022 (Page 14).

Fifteen of the thirty-one FY2023 direct operating expense accounts are projected to increase, but only six accounts by \$5,000 or more relative to FY2022. The remainder of the operating expense accounts are projected to be level or decrease relative to FY2022. The most significant projected increases in the budget occur in the Protective Services (insurance) and Service and Maintenance Contract categories, while the most significant projected decreases in the budget occur in the Telephone category. In Salary and Fringe, regular salary is increasing by \$271,800, reflecting the impact of union negotiated cost of living and salary step increases. Fringe benefits for active employees are decreasing by .5 percent reflecting changing employee demographics which are offsetting assumed premium increases. Retiree health benefits are increasing by \$132,000 and assume two additional retirees between FY2022 and FY2023. Salaries and benefits constitute approximately 75 percent of the Authority's operating budget, and are increasing approximately 3.5 percent relative to FY2022.

## Salaries and Benefits

Authority employees within the Communications Workers of America (CWA), the International Federation of Professional Technical Engineers (IFPTE) and the International Brotherhood of Electrical Workers (IBEW) are currently operating under a contract that expires on June 30, 2023. The FY2023 budget incorporates all union negotiated cost of living and step increases in the current union contracts. The IFPTE/AFL-CIO represents the Authority's Maintenance, Craft and Security Units and the CWA represents the Authority's Administrative and Clerical, Primary Level and Higher Level Supervisors Units. The IBEW represents several management employees. Also included are 2% cost of living increases for the five members of Authority management who are not represented by a union. The Authority is budgeting 48 percent of the Salary budget for fringe benefits in FY2023, exclusive of retiree medical.

Pension expense payable to the state of New Jersey on April 1, 2022 is expected to be approximately \$975,000 for the Raritan System. The Authority has budgeted \$1,032,100 for this line item in FY2023. Although increases in this category have stabilized in the past several years, there is still a level of uncertainty in this expense item because the pension system remains significantly underfunded.

## Overtime Salaries and Wages

The Authority's overtime expenses are projected to decrease by approximately \$5,500 in FY2023. Overtime expenses are incurred within Security and O&M Facilities and Canal Operations principally (those areas operating within a crew or shift structure).

## Retiree Health Benefits

Employees who retired with a minimum of 25 years of service prior to July 1, 1997 are entitled to paid health benefits. Those who attain 25 years on or after July 1, 1997 share some portion of post-retirement health benefit costs with the employer as determined by union contract or bargaining unit agreement. The Authority is increasing the retiree health benefits expense item in FY2023 by \$132,000. The Authority is budgeting two additional retirees in FY2023. The Centers for Medicare and Medicaid Services (CMS) estimates that national health care spending will increase at an annual rate of 5.4% from 2019-2028. The Authority used actual 2021 rates and budgeted 5.4 percent and 5.4 percent increases for calendar years 2022 and 2023, respectively. The budget contains sufficient funds for 58 retired employees.

## **Insurance Program**

The Authority is recommending an increase in insurance expense for FY2023 reflecting general market conditions and based on the advice of the Authority's insurance broker and consultant. Broker services are remarketed every three years and the insurance program is renewed on March 1. The Authority has included an approximately \$25,000 increase in the insurance line item for FY2023 which is a 2% increase versus budgeted FY2022.

Allocation of the Primary, Umbrella and Public Officials Liability insurance costs between the three Systems is based upon proportionate water sales. The Automobile Liability

cost is allocated based upon the assignment of vehicular equipment to each System. The cost of the Business Property coverage is allocated on the basis of insured values for each System and the Workers Compensation premiums are allocated on the basis of salaries for each System.

### **Interest Income**

The projected interest earnings for FY2023 are \$22,600 based upon a rate of .25 percent for short-term investments. This represents a decrease of \$10,600 as compared to FY2022. (Schedule 7, page 24), reflecting overall market reductions in interest rates.

### **Reserve Contributions**

During FY2023, the Authority will make no contribution to the Depreciation Reserve. The Depreciation Reserve is fully funded in FY2023. Interest earnings from long-term investment accounts have historically been applied to the Depreciation Reserve.

The Authority will contribute \$150,000 to the pumping reserve, and will do so every year, as this will be the primary funding mechanism for pump exercises and reservoir refilling requirements. The Self Insurance Reserve fund will receive no funding in FY2023. The Authority will continue funding for the Reserve for Formal Dam Inspections at \$10,000 in order to avoid future swings in the professional services accounts for expenses associated with this three-year cycle. The Authority will contribute \$150,000 to the Capital Equipment Reserve, and will do so every year, as this will be the primary funding mechanism for capital equipment purchases. When the reserve reaches the appropriate level, while equipment purchases will continue to be identified in the Basis and Background Document and approved by the Board, the direct line item will be removed from the rate and replaced by the annual appropriation.

### **Debt Service Assessments**

#### **New Jersey Environmental Infrastructure Financing Program Debt Service Assessment – D&R Canal Dredging and Round Valley Structure Refurbishment – Rehabilitation and Preservation Project**

The Authority has issued permanent financing through the New Jersey Infrastructure Bank (NJIB) loan program for the dredging of 300,000 cubic yards from a 10.5-mile segment of the Delaware and Raritan Canal (D&R Canal) between Kingston at Lincoln Highway to Amwell Road in Franklin Township, Somerset County, New Jersey. This project was originally authorized for \$45,000,000; the final loan amount is approximately \$36,000,000 because the actual project total cost was lower than anticipated. Funding through the NJIB allows a portion of the loan to be at zero interest and a portion of the loan to be at market rate with the blended rate at favorable terms. The Authority has also submitted an application to the NJIB to finance the refurbishment of structures at the Round Valley Reservoir complex in Clinton Township, Hunterdon County, New Jersey. This project is expected to cost approximately \$75,000,000 and last in duration for several years. Funding through the NJIB would allow a portion of the loan to be at zero interest and a portion of the loan to be at market rate with the blended rate at favorable terms. Interim loans for the project closed in June 2019 and July 2020. The Authority proposes

maintaining the rate component of \$85.00 per million gallons in FY2023 to ensure that sufficient funds are available to make debt service payments for both projects. The total rate component will be adjusted after the bonds for both projects are issued in accordance with final debt service schedules.

**Capital Fund Component for  
Current Financing of Capital Improvement Program**

During the period from 1982-1993 the Authority had invested \$62,000,000 in the Capital Improvement Program for the Raritan Basin System. Much of this effort was the direct result of inadequate investments in the facilities during the years preceding the creation of the Authority. These Capital Improvement Programs were financed through the issuance of two long-term debt obligations, the 1981 Water Supply Bond Funds and 1988 Water System Revenue Bonds.

In 1995, the Authority began preparing a rolling five-year Capital Improvement Program, which required the investment of approximately \$1,500,000 per year. Current estimates place the necessary annual investment between \$2,500,000 and \$5,500,000. In evaluating options for financing this program (and subsequent five year CIP's) the Authority looked at (1) the continuation of the practice of incurring long-term debt through the issuance of Revenue Bonds and (2) the possibility of current financing through the assessment of annual charges as part of our rate structures. The Authority concluded at the time that financing of such a small annual Capital Improvement Program based upon the issuance of long-term debt was fiscally imprudent. The Authority reevaluates this financing methodology on an annual basis.

The Authority's financial plan was predicated upon the establishment of a Capital Fund Component of \$10 per mg starting on July 1, 1994 with subsequent increases in this component of the total rate structure to \$15 per mg effective July 1, 1995 and to \$20 per mg effective July 1, 1996 and to \$25 per mg effective on July 1, 1998. Since then, the annual rate component has fluctuated between \$20 and \$35.

This level of current financing for reinvestments in plant and equipment somewhat exceeds the booked depreciation of the plant and equipment for the Raritan Basin System facilities (without the depreciation of the dams), which amounts to about \$1,900,000 per year. Any future unplanned or unanticipated major capital investment may, however, require the issuance of long-term debt. Any future planned activity that increases the System capacity will be financed using long-term debt.

For FY2023, the Authority continues to believe the use of internally generated funds for such capital improvements is the least cost method of financing.

The Authority has determined that a Capital Fund Component of \$33.00 per million gallons, level funding over FY2022, should be assessed for FY2023 to generate approximately \$2,196,273. The Authority deems these revenues sufficient to meet its capital needs for FY2023 in light of existing capital reserves and excellent contract pricing, and to ensure that sufficient funds are committed to the continuing rehabilitation of Authority assets.

**Source Water Protection Fund Component  
for the Protection of Water Quality**

The Authority established its Watershed Protection Unit in 1999 to implement a watershed management program for the Raritan River Basin pursuant to a Memorandum of Agreement with the New Jersey Department of Environmental Protection. Primary functions of the Unit are planning for watershed protection and development and implementation of projects that improve protection of water supply.

As a component of the Authority's watershed protection initiative, the Authority established the Source Water Protection Fund in August of 2001 for the purpose of protecting the quality and quantity of waters in the Raritan Basin System. The first \$5.00 per million gallons of the component is used for three purposes in cooperation with federal, State, local and nonprofit partners: (1) administrative actions associated with the acquisition of critical watershed parcels in the Raritan Highlands; (2) planning assistance to improve management of land development by municipal, county and State government to protect both water quality and flows to and within Authority facilities; and (3) water quality characterization and associated remedial projects to preserve and enhance water quality.

In light of the rapid decline in available watershed parcels, and the critical value of these parcels to the sustained supply of water in the Raritan Basin System, the Authority increased the Source Water Protection Fund by \$5.00 per million gallons in FY2004 and again by \$3.00 per million gallons in FY2006, to acquire fee and other interests in critical watershed parcels in the System and rehabilitate properties to maximize benefit to water quality and quantity. To date, more than 3,954 acres of property have been preserved by the Authority and its partners. Some of the watershed and water quality projects include a tributary and storm water assessment of the D&R Canal to determine sediment loading, followed by an implementation project; the development of storm water management plans for a variety of tributaries in the Basin; a stream restoration project of a reach of the Mulhockaway which feeds into Spruce Run, and implementation of improved land management practices within the agricultural community. The Authority increased the Source Water Protection Rate from \$13.00 per million gallons to \$15.00 per million gallons in FY2008 to further support direct watershed protection and restoration projects. The Authority increased the Source Water Protection Rate from \$15.00 per million gallons to \$24.00 per million gallons in FY2014 to support debt service on previously acquired critical watershed parcels. The Authority is proposing no change to this component of the Rate in FY2023.

**Other Rule Amendments**

There are no other rule amendments. The language supporting the overall proposal is contained beginning on page 63 of this document.



**PART II – DETAILED SUPPORTING INFORMATION**

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Table 1 - Summary Of Proposed Fiscal Year 2023 Adjustments  
Based On Present Usage**

The rates, charges and debt service assessments listed below shall be paid for raw water diverted, withdrawn or allocated from the Raritan Basin System:

| RATE COMPONENT  | CURRENT     | ORIGINAL PROPOSAL<br>11/01/21 | DIFFERENCE | PERCENTAGE INCREASE<br>(DECREASE) |
|---|-------------|-------------------------------|------------|-----------------------------------|
| O & M Assessment  | \$194.00    | \$194.00                      | 0.00       | 0.00%                             |
| Debt Service Assessment<br>Dredging & RV Structure<br>Refurbishment | 85.00       | 85.00                         | 0.00       | 0.00%                             |
| Capital Fund Component  | 33.00       | 33.00                         | 0.00       | 0.00%                             |
| Source Water Protection<br>Component                                | 24.00       | 24.00                         | 0.00       | 0.00%                             |
| Total Rate  | \$336.00/mg | \$336.00/mg                   | 0.00       | 0.00%                             |

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Table 2 - Rate History of Water Charges per Million Gallons of Raw Water Daily**  
Fiscal Year 2007 – Fiscal Year 2023

| <u>Effective Date</u> | <u>O&amp;M Charge</u> | <u>1981 Bond Charge</u><br><u>7/1/86-10/30/06</u> | <u>1998 Bond Charge</u><br><u>8/1/98-11/1/13</u> | <u>NJEIFP/NJIB Debt Component</u> | <u>Capital Fund Component</u> | <u>Source Water Protection Component</u> | <u>Total Charge per MG</u> | <u>Percent Increase -Decrease</u> |
|-----------------------|-----------------------|---|--|-----------------------------------|-------------------------------|--|----------------------------|-----------------------------------|
| July 1, 2006          | 133.13                | 19.55   | 41.32  |                                   | 21.00                         | 13.00                                    | 228.00                     | 6.05%                             |
| July 1, 2007          | 138.71                |   | 41.29  |                                   | 33.00                         | 15.00                                    | 228.00                     | 0.00%                             |
| July 1, 2008          | 142.34                |   | 40.66  |                                   | 33.00                         | 15.00                                    | 231.00                     | 1.32%                             |
| July 1, 2009          | 142.39                |   | 40.61  |                                   | 33.00                         | 15.00                                    | 231.00                     | 0.00%                             |
| July 1, 2010          | 142.55                |   | 40.45  |                                   | 33.00                         | 15.00                                    | 231.00                     | 0.00%                             |
| July 1, 2011          | 145.66                |   | 40.34  |                                   | 30.00                         | 15.00                                    | 231.00                     | 0.00%                             |
| July 1, 2012          | 145.84                |   | 40.16  |                                   | 30.00                         | 15.00                                    | 231.00                     | 0.00%                             |
| July 1, 2013          | 152.00                |   |  | 25.00                             | 30.00                         | 24.00                                    | 231.00                     | 0.00%                             |
| July 1, 2014          | 167.00                |   |  | 25.00                             | 30.00                         | 24.00                                    | 246.00                     | 6.49%                             |
| July 1, 2015          | 171.00                |   |  | 25.00                             | 33.00                         | 24.00                                    | 253.00                     | 2.85%                             |
| July 1, 2016          | 171.00                |   |  | 25.00                             | 33.00                         | 24.00                                    | 253.00                     | 0.00%                             |
| July 1, 2017          | 194.00                |   |  | 85.00                             | 33.00                         | 24.00                                    | 336.00                     | 32.81%                            |
| July 1, 2018          | 194.00                |   |  | 85.00                             | 33.00                         | 24.00                                    | 336.00                     | 0.00%                             |
| July 1, 2019          | 194.00                |   |  | 85.00                             | 33.00                         | 24.00                                    | 336.00                     | 0.00%                             |
| July 1, 2020          | 194.00                |   |  | 85.00                             | 33.00                         | 24.00                                    | 336.00                     | 0.00%                             |
| July 1, 2021          | 194.00                |   |  | 85.00                             | 33.00                         | 24.00                                    | 336.00                     | 0.00%                             |
| July 1, 2022          | 194.00                |   |  | 85.00                             | 33.00                         | 24.00                                    | 336.00                     | 0.00%                             |

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYTEM

**Schedule Of Events**

(NJAC 7:11-2.1 et. seq.)

To become effective July 1, 2022

**2021**

- SEPTEMBER 27 Advise Water Users of informal meeting.
- OCTOBER 29 Informal meeting with Water Users – 10:00 AM.
- NOVEMBER 1 Board reviews and approves proposed Rates.
- DECEMBER 18 Mail Official Notice to water customers, Rate Payer Advocate, interested parties and advertise in newspapers.

**2022**

- JANUARY 3 Publication in the New Jersey Register.
- 7 Pre-Pubic Hearing – 10:00 AM (within 45 days of Official Notice). Deadline for responses to inquires received prior to pre-public hearing.
- 31 Deadline for receipt of comments to be addressed at Public Hearing (15 days after pre-public hearing).
- FEBRUARY 4 Public Hearing Meeting. (SR Administration Building) – 10:00 AM Deadline for responses to inquires received between pre-public and public hearing.
- 21 Written responses to questions raised at Hearing (within 10 business days of the public hearing).
- MARCH 4 NJ Register Comment Period Ends.
- 15 Public Hearing record closes (25 business days after Public Hearing).
- MAY 2 Board approval of FY2023 Rates & Budgets
- JULY 1 Effective date.

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Proposed**

**Fiscal Year 2023 Budget Summary**

(7/1/22 - 6/30/23)

|   | <u>ADOPTED</u><br>F/Y22     | <u>PROPOSED</u><br>F/Y23    |
|---|-----------------------------|-----------------------------|
| Proposed Operating Expense Budget (Schedule 1)  | \$ 14,298,436               | \$ 14,730,184               |
| Net Allocation of Headquarters General and Administrative Expenses<br>to the Manasquan Water Supply System - (Schedule 5) | <u>\$ (674,000)</u>         | <u>\$ (749,000)</u>         |
| Proposed Total Expense Budget   | \$ 13,624,436               | \$ 13,981,184               |
| Proposed Capital Equipment Budget (Schedule 6)  | <u>\$ 368,900</u>           | <u>\$ 29,738</u>            |
| Total Operating Expense & Capital Equipment Budgets   | \$ 13,993,336               | \$ 14,010,922               |
| Contribution to Reserve Funds   |                             |                             |
| - Other Post Employment Benefits Reserve  | \$ -                        | \$ -                        |
| - Reserve for Formal Dam Inspection   | \$ 10,000                   | \$ 10,000                   |
| - Pumping Reserve   | \$ 150,000                  | \$ 150,000                  |
| - Capital Equipment Reserve   | <u>\$ 150,000</u>           | <u>\$ 150,000</u>           |
| Total Budget Requirements   | <u>\$ 14,303,336</u>        | <u>\$ 14,320,922</u>        |
| <br><u>MISCELLANEOUS REVENUES:</u>  |                             |                             |
| Employee Housing/Land Rental  | \$ (47,200)                 | \$ (47,200)                 |
|   | <u>\$ (32,600)</u>          | <u>\$ (22,000)</u>          |
|   | <u>\$ (79,800)</u>          | <u>\$ (69,200)</u>          |
| <br><u>OTHER AVAILABLE FUNDS:</u>   |                             |                             |
| Unanticipated Revenue (Schedule 8)  | <u>\$ (1,262,390)</u>       | <u>\$ (1,286,340)</u>       |
| Total Other Available Funds   | <u>\$ (1,262,390)</u>       | <u>\$ (1,286,340)</u>       |
| Net Amount to be paid for O & M Component   | <u><u>\$ 12,961,146</u></u> | <u><u>\$ 12,965,382</u></u> |

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 1 - Proposed Operating Expenses Budget – Fiscal Year 2023 Distributed by Cost Center**  
Fiscal Year 2023

| CODE | ACCOUNT                                | OFFICE<br>EXECUTIVE<br>DIRECTOR | FINANCIAL<br>MANAGEMENT<br>& ACCOUNTING | WATERSHED<br>PROTECTION<br>PROGRAMS | OPERATIONS<br>MAINTENANCE &<br>ENGINEERING | PROPOSED<br>BUDGET<br>FOR FY23 |
|------|--|---------------------------------|---|-------------------------------------|--|--------------------------------|
| 5110 | Regular Salaries & Wages               | \$154,600                       | \$1,892,050                             | \$722,500                           | \$4,143,150                                | \$6,912,300                    |
| 5120 | Overtime-Salaries & Wages              | 0                               | 123,946                                 | 0                                   | 125,088                                    | 249,034                        |
| 5130 | New Positions-Salaries & Wages         | 0                               | 0                                       | 0                                   | 0  | 0                              |
| 5140 | Seasonal Help-Salaries & Wages         | 0                               | 0                                       | 0                                   | 0  | 0                              |
| 5150 | Fringe Benefits                        | 36,300                          | 854,600                                 | 277,900                             | 2,137,300                                  | 3,306,100                      |
| 5167 | Retiree Health Benefits                | 43,100                          | 178,700                                 | 24,000                              | 430,200                                    | 676,000                        |
| 5168 | Workers Compensation (Self-Insured)    | 0                               | 10,000                                  | 0                                   | 0  | 10,000                         |
|      | Total Salary & Fringe Benefits         | \$234,000                       | \$3,059,296                             | \$1,024,400                         | \$6,835,738                                | \$11,153,434                   |
| 5200 | On-Site Residences                     | \$0                             | \$0                                     | \$0                                 | \$19,600                                   | \$19,600                       |
| 5210 | Heating Fuel                           | 0                               | 0                                       | 0                                   | 74,250                                     | 74,250                         |
| 5220 | Utilities -Electrical Service          | 0                               | 0                                       | 0                                   | 103,300                                    | 103,300                        |
| 5230 | " -Gas Service & Water                 | 0                               | 0                                       | 0                                   | 7,700                                      | 7,700                          |
| 5240 | " -Propane                             | 0                               | 0                                       | 0                                   | 500  | 500                            |
| 5250 | Electricity for Pumping                | 0                               | 0                                       | 0                                   | 83,400                                     | 83,400                         |
| 5260 | Vehicular Fuel                         | 0                               | 120,030                                 | 0                                   | 0  | 120,030                        |
| 5270 | Oil & Grease                           | 0                               | 0                                       | 0                                   | 13,000                                     | 13,000                         |
| 5280 | Tires                                  | 0                               | 0                                       | 0                                   | 24,000                                     | 24,000                         |
| 5290 | Maintenance Supplies                   | 0                               | 7,400                                   | 0                                   | 191,600                                    | 199,000                        |
| 5300 | Maint. Supplies - Vehicular Equipment  | 0                               | 0                                       | 0                                   | 59,000                                     | 59,000                         |
| 5310 | Major Special Vehicle Service & Repair | 0                               | 0                                       | 0                                   | 85,000                                     | 85,000                         |
| 5320 | Agricultural Supplies                  | 0                               | 500                                     | 250                                 | 9,000                                      | 9,750                          |
| 5330 | Maintenance of Equipment               | 0                               | 13,200                                  | 7,000                               | 52,500                                     | 72,700                         |
| 5340 | Service & Maintenance Contracts        | 0                               | 106,420                                 | 156                                 | 237,520                                    | 344,096                        |
| 5350 | Equipment Rental                       | 0                               | 23,350                                  | 0                                   | 38,300                                     | 61,650                         |
| 5360 | Household-Safety & Protective Supplies | 100                             | 25,100                                  | 0                                   | 15,400                                     | 40,600                         |
| 5370 | Uniforms                               | 0                               | 5,400                                   | 0                                   | 3,960                                      | 9,360                          |
| 5380 | Special & Professional Services        | 23,000                          | 209,278                                 | 177,358                             | 165,100                                    | 574,736                        |
| 5390 | Protective Services                    | 0                               | 1,303,793                               | 0                                   | 0  | 1,303,793                      |
| 5400 | Telephone                              | 0                               | 40,000                                  | 0                                   | 7,200                                      | 47,200                         |
| 5410 | Postage & Freight                      | 0                               | 5,500                                   | 0                                   | 120  | 5,620                          |
| 5420 | Data Processing                        | 0                               | 27,420                                  | 0                                   | 0  | 27,420                         |
| 5430 | Printing & Office Supplies             | 1,000                           | 34,350                                  | 3,000                               | 7,700                                      | 46,050                         |
| 5440 | Scientific & Photographic              | 0                               | 0                                       | 5,000                               | 500  | 5,500                          |
| 5450 | Dues & Subscriptions                   | 15,021                          | 12,044                                  | 400                                 | 14,700                                     | 42,165                         |
| 5460 | Advertising                            | 0                               | 5,000                                   | 5,500                               | 200  | 10,700                         |
| 5470 | Travel & Subsistence                   | 1,500                           | 2,080                                   | 1,500                               | 1,600                                      | 6,680                          |
| 5480 | Staff Training & Tuition Aid           | 500                             | 12,050                                  | 5,000                               | 12,800                                     | 30,350                         |
| 5490 | Fees & Permits                         | 0                               | 114,100                                 | 0                                   | 16,800                                     | 130,900                        |
| 5500 | In-Lieu Taxes                          | 0                               | 18,700                                  | 0                                   | 0  | 18,700                         |
|      | Total Operating Expenses               | \$41,121                        | \$2,085,715                             | \$205,164                           | \$1,244,750                                | \$3,576,750                    |
|      | <b>GRAND TOTAL</b>                     | <b>\$275,121</b>                | <b>\$5,145,011</b>                      | <b>\$1,229,564</b>                  | <b>\$8,080,488</b>                         | <b>\$14,730,184</b>            |

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 1A - Comparative Statement**  
Fiscal Year 2023

| CODE | ACCOUNT                           | FY'19<br>ACTUAL     | FY'20<br>ACTUAL     | FY'21<br>ACTUAL     | FY'22<br>ADOPTED    | FY'23<br>PROPOSED   |
|------|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 5110 | Regular Salaries & Wages          | \$5,959,265         | \$6,020,542         | \$5,887,597         | \$6,640,500         | \$6,912,300         |
| 5120 | Overtime-Salaries & Wages         | 239,713             | 151,734             | 209,809             | 254,555             | 249,034             |
| 5130 | New positions-Salaries & Wages    | 0                   | 0                   | 0                   | 0                   | 0                   |
| 5162 | Retiree Unused Sick & Vacation    | 0                   | 0                   | 0                   | 0                   | 0                   |
| 5150 | Fringe Benefits*                  | 3,047,059           | 3,178,400           | 814,296             | 3,322,800           | 3,306,100           |
| 5167 | Retiree Health Benefits           | 1,498,763           | (433,886)           | (315,911)           | 544,000             | 676,000             |
| 5168 | Workers Comp. (Self Insured)      | 4,590               | 3,311               | 0                   | 10,000              | 10,000              |
|      | <b>Total Salary &amp; Fringe</b>  | <b>10,749,390</b>   | <b>8,920,101</b>    | <b>6,595,791</b>    | <b>10,771,855</b>   | <b>11,153,434</b>   |
|      | <b>Budget Salary &amp; Fringe</b> |                     |                     |                     |                     |                     |
| 5200 | Residences                        | \$27,122            | \$18,485            | \$17,096            | \$19,600            | \$19,600            |
| 5210 | Heating Fuel                      | 61,012              | 47,955              | 56,739              | 80,250              | 74,250              |
| 5220 | Utilities -Electrical Service     | 93,556              | 98,579              | 110,014             | 102,500             | 103,300             |
| 5230 | -Gas Service                      | 4,571               | 4,997               | 5,665               | 5,500               | 7,700               |
| 5240 | -Propane                          | 457                 | 219                 | 244                 | 500                 | 500                 |
| 5250 | Electricity for Pumping Station   | 59,993              | 55,878              | 58,927              | 83,400              | 83,400              |
| 5260 | Fuel - Vehicular                  | 106,304             | 77,299              | 77,029              | 109,688             | 120,030             |
| 5270 | Oil & Grease                      | 9,317               | 7,787               | 8,996               | 12,500              | 13,000              |
| 5280 | Tires                             | 15,540              | 25,046              | 20,564              | 25,000              | 24,000              |
| 5290 | Maintenance Supplies              | 184,818             | 166,538             | 154,004             | 198,100             | 199,000             |
| 5300 | Maint. Supplies - Vehicular       | 50,108              | 46,362              | 51,228              | 59,000              | 59,000              |
| 5310 | Major Vehicle Service & Repair    | 103,843             | 68,448              | 70,862              | 85,000              | 85,000              |
| 5320 | Agricultural Supplies             | 5,758               | 5,004               | 7,516               | 8,000               | 9,750               |
| 5330 | Maintenance Equipment             | 28,372              | 43,132              | 27,023              | 64,200              | 72,700              |
| 5340 | Serv. & Maintenance Contracts     | 241,120             | 252,173             | 222,655             | 304,696             | 344,096             |
| 5350 | Equipment Rental                  | 35,066              | 56,110              | 36,896              | 65,650              | 61,650              |
| 5360 | Household - Safety Supplies       | 39,576              | 35,372              | 41,993              | 40,600              | 40,600              |
| 5370 | Uniforms                          | 9,581               | 6,233               | 7,856               | 8,900               | 9,360               |
| 5380 | Special & Professional Services   | 455,218             | 442,967             | 549,634             | 581,536             | 574,736             |
| 5390 | Protective Services               | 1,154,913           | 1,194,269           | 1,130,377           | 1,278,616           | 1,303,793           |
| 5400 | Telephone                         | 75,123              | 58,899              | 51,862              | 88,200              | 47,200              |
| 5410 | Postage & Freight Out             | 6,285               | 3,005               | 7,656               | 5,620               | 5,620               |
| 5420 | Data Processing                   | 25,995              | 24,451              | 25,156              | 27,420              | 27,420              |
| 5430 | Printing & Office Supplies        | 47,991              | 32,114              | 32,383              | 45,550              | 46,050              |
| 5440 | Scientific & Photographic         | 784                 | 4,194               | 1,627               | 6,500               | 5,500               |
| 5450 | Dues & Subscriptions              | 36,715              | 35,716              | 28,891              | 41,525              | 42,165              |
| 5460 | Advertising & Promotional         | 1,966               | 10,156              | 8,822               | 11,200              | 10,700              |
| 5470 | Travel & Subsistence              | 5,433               | 4,080               | 741                 | 6,680               | 6,680               |
| 5480 | Staff Training & Tuition Aid      | 14,222              | 15,140              | 11,461              | 26,750              | 30,350              |
| 5490 | Fees & Permits                    | 118,400             | 117,155             | 126,875             | 125,200             | 130,900             |
| 5500 | In - Lieu Taxes                   | 8,703               | 28,675              | 18,689              | 8,700               | 18,700              |
|      | Total Other Expenses              | \$3,027,860         | \$2,986,441         | \$2,969,482         | \$3,526,581         | \$3,576,750         |
|      | Total Operating Expenses          | \$13,777,251        | \$11,906,541        | \$9,565,274         | \$14,298,436        | \$14,730,184        |
|      | Annual Increase (Decrease)        | -0.02%              | -13.59%             | -30.58%             | 3.78%               | 3.02%               |
|      | Budget -other expenses            | 3,540,285           | 3,540,285           | 3,522,437           | 3,526,581           | 3,572,690           |
|      | <b>ANNUAL BUDGET</b>              | <b>\$14,238,081</b> | <b>\$14,211,138</b> | <b>\$13,936,857</b> | <b>\$14,298,436</b> | <b>\$14,730,184</b> |

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 2 - List of Category 5340 Items Recommended Service & Maintenance Contracts**  
Fiscal Year 2023

|  | ADOPTED<br>F/Y22 | PROPOSED<br>F/Y23 |
|--|------------------|-------------------|
| 1. Postage/Fax/ Misc. Machines (Dept. 16)                  | \$ 500           | \$ 500            |
| 2. SHPERA-Safety Software (Dept. 17)                       | 2,000            | 2,000             |
| 3. Comodo- Remote Access Certificates (Dept. 17)           | 300              | 300               |
| 4. WMWARE (Dept. 17)                                       | 500              | 500               |
| 5. Sage Clients First MAS 100 (Dept. 17)                   | 5,300            | 5,300             |
| 6. Property Fax - Parcel Maps (Dept. 17)                   | 1,400            | 1,400             |
| 7. Sage Fixed Asset (Dept. 17)                             | 2,900            | 2,900             |
| 8. PV & Associates-Winslamm (Dept. 17)                     | 500              | 500               |
| 9. People Trak Support Technical Difference (Dept. 17)     | 500              | 500               |
| 10. COMCAST - Cable Internet (Dept. 17)                    | 15,000           | 15,000            |
| 11. Essention - Conservation Trak (Dept.17)                | 5,000            | 5,000             |
| 12. Weebly (Web Hosting at Clinton) (Dept. 17)             | 250              | 250               |
| 13. Square Space (Web Hosting Watershed) (Dept. 17)        | 250              | 250               |
| 14. Symantec Anti-Virus Maintenance-Clinton (Dept. 17)     | 2,500            | 2,500             |
| 15. Sonic Wall Software (Dept. 17)                         | 1,500            | 1,500             |
| 16. ESRI ArcView Maintenance-Watershed (Dept. 17)          | 5,400            | 5,400             |
| 18. KNOWBE4 Internet Security (Dept. 17)                   | 1,500            | 1,500             |
| 19. Proofpoint Antispam (Dept. 17)                         | 1,500            | 1,500             |
| 20. River Morph (Dept. 17)                                 | 500              | 500               |
| 21. DLT Solutions Autocad (Dept. 17)                       | 2,800            | 2,800             |
| 22. Fastrax SBPS Monitoring Software (Dept. 17)            | 900              | 900               |
| 23. ESRI ArcView Maintenance-Clinton (Dept. 17)            | 500              | 500               |
| 24. Keystone Precision-GPS Software Maint. (Dept. 17)      | 800              | 800               |
| 25. HAAS Systems-Security Alarm Software Maint. (Dept. 17) | 400              | 400               |
| 26. Clients First-Vipre Antivirus/Antispam (Dept. 17)      | 400              | 400               |
| 27. EZ Watch Security Video (Dept. 17)                     | 900              | 900               |
| 28. Clients First - Server Software (Dept. 17)             | 1,000            | 1,000             |
| 29. Delmar Enterprises - Key Systems (Dept. 17)            | 520              | 520               |
| 30. Docusign (Dept. 17)                                    | 400              | 400               |
| 31. Microsoft 365 (Dept. 17)                               | -                | 18,000            |
| 32. Backup Service (Dept. 17)                              | -                | 6,000             |
| 33. MFA Service (Dept. 17)                                 | -                | 1,500             |
| 34. Wix for Web (Dept. 20)                                 | 156              | 156               |
| 35. Janitorial Service (Dept. 20)                          | 3,300            | -                 |
| 36. Trimble Catalyst for GPS (Dept. 30)                    | 500              | 500               |
| 37. Refuse Collection (Dept. 31)                           | 7,500            | 7,500             |
| 38. Janitorial Service (Dept. 31)                          | 24,000           | 32,000            |

(continued on next page)

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 2 (Cont.) - List of Category 5340 Items Recommended Service & Maintenance Contracts**

Fiscal Year 2023

|   | ADOPTED<br>F/Y22  | PROPOSED<br>F/Y23 |
|---|-------------------|-------------------|
| 39. HVAC Service (Dept. 31)                                     | \$ 5,500          | \$ 5,500          |
| 40. Electrician & Plumber Services (Dept. 31)                   | 5,000             | 5,000             |
| 41. Instrumentation Services (Dept. 31)                         | 4,500             | 4,500             |
| 42. Entry Rugs (Dept. 31)                                       | 5,000             | 5,000             |
| 43. Carpet Cleaning (Dept. 31)                                  | 8,000             | 10,000            |
| 44. Generator Service-Administration Building (Dept. 31)        | 1,200             | 1,200             |
| 45. Underground Plant Location Service Notifications (Dept. 31) | 1,500             | 1,500             |
| 46. Crane Service and Inspection (Dept. 31)                     | 4,000             | 4,000             |
| 47. Elevator Service-SBPS (Dept. 31)                            | 2,800             | 2,800             |
| 48. Electrical Service-SBPS (Dept. 31)                          | 20,000            | 20,000            |
| 49. UST Testing and Inspections (Dept. 31)                      | 15,000            | 15,000            |
| 50. Miscellaneous (Dept. 31)                                    | 6,900             | 6,900             |
| 51. Janitorial Service (Dept. 32)                               | 9,600             | 15,600            |
| 52. Dumpster Service Canal Office (Dept. 32)                    | 18,000            | 21,400            |
| 53. Dumpster Service Route 1 (Dept. 32)                         | 48,000            | 43,000            |
| 54. Instrumentation Service (Dept. 32)                          | 3,000             | 3,000             |
| 55. One Call Concepts (Dept. 32)                                | 2,400             | 2,400             |
| 56. Floor Mats (Dept. 32)                                       | 2,400             | -                 |
| 57. Grass Mowing Service (Dept. 32)                             | 8,000             | -                 |
| 58. Boiler Service (Dept. 32)                                   | 1,000             | 4,000             |
| 59. Wood Disposal Fees (Dept. 32)                               | 4,800             | 4,800             |
| 60. Generator Service-Scudders & Perdicaris (Dept. 32)          | 3,000             | 3,000             |
| 61. Viking Pest (Dept. 32)                                      | 720               | 720               |
| 62. Johnny on the Spot - Rt. 202 (Dept. 32)                     | 2,400             | 2,400             |
| 63. Welco Gas (Dept. 33)  | 1,000             | 1,000             |
| 64. Tree Stump Recycling (Dept. 33)                             | 2,500             | 2,500             |
| 65. Parts Washer & Hazardous Removal (Dept. 34)                 | 1,000             | 1,000             |
| 66. Boom Lift Annual Inspection (Dept. 34)                      | 900               | 900               |
| 67. Recycle Used Vehicle Fluids (Dept. 35)                      | 400               | 400               |
| 68. Fire Extinguisher Maintenance (Dept. 36)                    | 9,000             | 9,000             |
| 69. Hazardous Waste Control (Dept. 36)                          | 1,500             | 1,500             |
| 70. Fire Alarm Testing (Dept. 36)                               | 8,000             | 8,000             |
| 71. Vehicle Lifts Annual Testing (Dept. 36)                     | 1,500             | 1,500             |
| 72. Delaware Electric Cellular Service (Dept. 37)               | 800               | 1,000             |
| 73. Dial My Calls (Dept. 37)                                    | 1,600             | 1,600             |
| 74. Geomoto GPS Tracking (Dept. 37)                             | 1,200             | 1,200             |
| 75. Covert Wireless (Dept. 37)                                  | 1,200             | 1,200             |
| TOTAL   | <u>\$ 304,696</u> | <u>\$ 334,096</u> |



NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 3 - List of Category 5380 Items Recommended Professional Services**  
Fiscal Year 2023

|   | ADOPTED<br>F/Y22 | PROPOSED<br>F/Y23 |
|---|------------------|-------------------|
| 1. Services-Governor's Authorities Unit (Dept. 10)  | \$ 23,000        | \$ 23,000         |
| 2. Consultant-C.P.A. to Conduct Annual Audit (Dept. 13)   | 55,000           | 55,000            |
| 3. 125 Plan-Family security Insurance Agency (Dept. 13)   | 2,730            | 2,730             |
| 4. Archiving (Dept. 13)   | 6,000            | 6,000             |
| 5. Services-Pre-Employment Exams & Tests (Dept. 14)   | 3,300            | 3,300             |
| 6. Fidelifax-Background Checks (Dept. 14)   | 2,248            | 2,248             |
| 7. Medical CDL Drug Testing (Dept. 14)  | 2,400            | 2,400             |
| 8. Employee Advisory Service (Dept. 14)   | 2,500            | 2,700             |
| 9. Consultant-Risk Management - to provide assistance to the Authority in the review of insurance coverage and continuation of a Comprehensive Coordinated Risk Management Program (Dept. 15) | 45,000           | 45,000            |
| 10. Insurance Broker-HRH (Dept. 15)   | 42,000           | 45,000            |
| 11. GL Administrator (ESIS) (Dept. 15)  | 2,000            | 3,000             |
| 12. Services-Attorney General's Office - Assistance of Deputy Attorney General concerning a wide range of legal matters (Dept. 15)  | 20,000           | 25,000            |
| 13. MP Water Monitoring Costs - USGS SR @ Glen Gardner (Dept. 20)   | 10,057           | 10,057            |
| 14. MP Water Monitoring Costs - USGS SB Raritan @ Stanton (Dept. 20)  | 8,568            | 8,568             |
| 15. MP Water Monitoring Costs - USGS Landing Lane (Dept. 20)  | 36,414           | 36,414            |
| 16. MP Water Monitoring Costs - USGS Raritan River @ Manville (Dept. 20)  | 47,940           | 47,940            |
| 17. Continuous Record Gaging - USGS @ Washington Crossing (Dept. 20)  | 22,083           | 22,083            |
| 18. Water Quality Monitoring - USGS @ Washington Crossing (Dept. 20)  | 5,059            | 5,059             |
| 19. Water Monitoring Costs ASWQMN- USGS D&R Canal @ Landing Lane (Dept. 20)   | 13,617           | 13,617            |
| 20. Water Monitoring Costs ASWQMN - NJDEP Mulhockaway @ Van Syckel (Dept. 20)   | 7,320            | 7,320             |
| 21. Additional Flow Measure at SR, Stanton, Manville & Calco Dam (Dept. 20)   | 8,500            | 8,500             |
| 22. Water Monitoring-SBWA/URWA now RHA (Dept. 20)   | 2,000            | 2,000             |
| 23. Water Monitoring-SBMWA (Dept. 20)   | 1,500            | 1,500             |

(continued on next page)

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 3 (Cont.) - List of Category 5380 Items Recommended Professional Services**

Fiscal Year 2023

|  | ADOPTED<br><u>F/Y22</u> | PROPOSED<br><u>F/Y23</u> |
|--|-------------------------|--------------------------|
| 24. Lab Certification WPU/Water Sample Analysis (Dept. 20)   | \$ 2,000                | \$ 2,000                 |
| 25. NJ Invasive Species Strike Team (Dept. 20)   | 300                     | 300                      |
| 26. ISCO Monitoring (Dept. 20)   | 8,000                   | 8,000                    |
| 27. General Lab Analysis (Dept. 20)  | 4,000                   | 4,000                    |
| 28. Services-Emergency Engineering Services (Dept 30)  | 2,500                   | 17,500                   |
| 29. USGS Cooperative Agreement River Gaging - Maintenance of Raritan Basin<br>Stream Gaging Stations and the Delaware & Raritan Canal Gauging at<br>Kingston per USGS/DWR/NJWSA Agreement (Dept. 31) | 68,000                  | 68,000                   |
| 30. USGS Spruce Run Gage at Glen Gardner (Dept. 31)  | 10,200                  | 10,200                   |
| 31. USGS Clinton Rain Gage (Dept. 31)  | 3,200                   | 3,200                    |
| 32. USGS Washington Crossing Rain Gage (Dept. 31)  | 3,200                   | 3,200                    |
| 33. Water Testing and Sampling to comply with the Safe Water Drinking Act<br>(Dept. 31)  | 5,000                   | 5,000                    |
| 34. Water Sampling and Testing as per NJDWR Requirements - RT 202<br>Stockpile Site (Dept 32)  | 28,000                  | 28,000                   |
| 35. Maintenance of USGS Gauges at Washington Crossing and 10-mile and<br>others (Dept. 32)   | 56,000                  | 25,000                   |
| 36. Vac Truck Service - IFW, 10 Mile PS (Dept. 32)   | 5,000                   | 5,000                    |
| 37. Safety Suggestion Program, Poster and Promotional Materials, Safety<br>Incentive Program (Dept. 36)  | 9,700                   | 9,700                    |
| 38. Pulmonary Testing and Physicals (Dept. 36)   | 5,000                   | 5,000                    |
| 39. Annual Contributions to Fire Companies and Rescue Squads (Dept. 36)  | 500                     | 500                      |
| 40. Hepatitis Vaccinations (Dept. 36)  | 800                     | 800                      |
| 41. Calibration for the Pota-Count Respirator (Dept. 36)   | 900                     | 900                      |
|  | <u>\$ 581,536</u>       | <u>\$ 574,736</u>        |
| TOTAL  | <u>\$ 581,536</u>       | <u>\$ 574,736</u>        |

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 4 - Projected FY 2023 New Jersey Water Supply Authority Insurance Program**

| <u>Policy</u>  | <u>Raritan Basin System</u>  | <u>Manasquan Reservoir System</u> | <u>Manasquan Water Treatment Plant and Transmission System</u> | <u>Total Premium</u>         |
|--|------------------------------|-----------------------------------|--|------------------------------|
| <b>Property</b><br>Limit \$150 million, Limit \$25m BI<br><br>Deduct: \$100k all perils<br>\$250k Deduct dams, dikes / \$1m<br>Deduct Canal flood<br>Earthen Dam:Builders Risk | \$527,656                    | \$256,740                         | \$75,604   | \$860,000                    |
| <b>General/Products Liability</b><br>Limit \$1 million<br>Deduct: \$150k   | \$133,213                    | \$14,205                          | \$2,583  | \$150,001                    |
| <b>Environmental Impairment Liability</b><br>Limit \$10 million<br>Deduct: \$100k  | \$26,643                     | \$2,841                           | \$517  | \$30,001                     |
| <b>Workers' Compensation</b><br>Limit \$1 million  | \$131,487                    | \$18,101                          | \$20,412   | \$170,000                    |
| <b>Employer Liability</b><br>Limit \$1 million   | Included in<br>Workers' Comp | Included in<br>Workers' Comp      | Included in<br>Workers' Comp                                   | Included in<br>Workers' Comp |
| <b>Umbrella Liability</b><br>Limit \$23 million  | \$377,436                    | \$40,246                          | \$7,317  | \$424,999                    |
| <b>Business Automobile</b><br>Limit: \$1 million G/L, \$0 pd<br>Deduct: \$50k, G/L   | \$44,304                     | \$4,012                           | \$1,684  | \$50,000                     |
| <b>Management Liability</b>  |                              |                                   |  |                              |
| Public Officials Liability   | \$44,404                     | \$4,735                           | \$861  | \$50,000                     |
| Cyber Risk   | \$17,762                     | \$1,894                           | \$344  | \$20,000                     |
| Fidelity & Crime   |                              |                                   | \$5,000  | \$5,000                      |
| Limit \$5 million/\$1million/\$1 million<br>Deduct: \$100k/\$10k/\$50k   | <u>\$62,166</u>              | <u>\$6,629</u>                    | <u>\$6,205</u>   | <u>\$75,000</u>              |
| <b>Travel Accident</b><br>Limit \$2 million  | <u>\$888</u>                 | <u>\$95</u>                       | <u>\$17</u>  | <u>\$1,000</u>               |
| <b>TOTAL:</b>  | <u>\$1,303,793</u>           | <u>\$342,869</u>                  | <u>\$114,339</u>   | <u>\$1,761,001</u>           |

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 5 - Recap Of Allocation Of Headquarters General And Administrative Expenses Charged  
To The Manasquan Water Supply System**  
Fiscal Year 2023 (7/1/22-6/30/23)

|  | <b>Total<br/>Headquarters<br/>Charge</b> | <b>Manasquan<br/>Reservoir<br/>System</b> | <b>Manasquan<br/>WTP/TS</b> |
|--|--|---|-----------------------------|
| Budgeted-Appendix I, amount to be charged to Manasquan System for FY23 (7/1/22-6/30/23)                      | \$747,244                                | \$644,647                                 | \$102,597                   |
| F/Y21 Adjustment as per audited Expenditures:  |  |   |                             |
| Budgeted as per rate schedule for F/Y21 (7/1/20-6/30/21). Amounts paid during F/Y20 to Raritan Basin System. | \$629,000                                | \$542,000                                 | \$87,000                    |
| Actual allocation based upon audited expenditures F/Y21 (7/1/20-6/30/21) - Appendix II                       | <u>\$630,412</u>                         | <u>\$543,842</u>                          | <u>\$86,570</u>             |
| Adjustments F/Y21  | <u>\$1,412</u>                           | <u>\$1,842</u>                            | <u>(\$430)</u>              |
| Net Allocation for F/Y2023 Budget  | <u>\$748,656</u>                         | <u>\$646,489</u>                          | <u>\$102,167</u>            |
| <br>   |  |   |                             |
| Estimate   | <u>\$749,000</u>                         | <u>\$646,000</u>                          | <u>\$103,000</u>            |

**Note:**

Amounts in this schedule may differ from the allocation reports attached because of adjustments made as a result of OPEB-related data released from the State of NJ after this schedule was prepared. Any differences will be addressed in this schedule in following year(s).

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 6 - Proposed Capital Equipment Budget**  
Fiscal Year 2023

|                       | Description   | Replacement (R)<br>Addition (A) | Year of<br>Purchase | Dollar Value | Depreciaton<br>Reserve |
|-----------------------|---|---------------------------------|---------------------|--------------|------------------------|
| <b>ENG/FACILITIES</b> | Small Pickup truck - subject to Authority wide evaluation of vehicles | R(2267)                         | 2003                | \$ 35,000    | 1,000                  |
|                       | Jet JWJ-8HH Wood Jointer (Carp Shop)                                  | R <\$1000                       |                     | \$ 2,500     |                        |
|                       | Shaft Alignment Laser System (SBPS)                                   | R (1944)                        | 2004                | \$ 12,000    | 11,008                 |
|                       | Sewerage Lift Pumps (SBPS) (2)  | R <\$1000                       |                     | \$ 3,000     |                        |
|                       | Drill Press Jet IDP-22 (SBPS)   | R (561) <\$1000                 | 1985                | \$ 3,000     |                        |
| <b>GROUNDS</b>        | Power Trac Slope Mower PT 1850  | R (2231)                        | 2014                | \$ 50,000    | 35,000                 |
|                       | Power Trac Mower Deck With Finishing Kit                              | R (2233)                        | 2014                | \$ 7,500     | 9,535                  |
|                       | Utility Grapple Attachment for Power Trac                             | A                               |                     | \$ 2,000     |                        |
|                       | John Deere 60in Snow Blower Attachment                                | A                               |                     | \$ 5,750     |                        |
|                       | John Deere Front Mount Debris Blower                                  | A                               |                     | \$ 7,500     |                        |
|                       | Current Year UTV  | A                               |                     | \$ 25,000    |                        |
|                       | Snow Plow for UTV   | A                               |                     | \$ 4,500     |                        |
|                       | Current Year Bucket Truck   | R (1986)                        | 2005                | \$ 190,000   | \$ 109,806             |
|                       | Storage Racks RVMB  | A                               |                     | \$ 3,500     |                        |
| <b>CANAL</b>          | Roll-off container Truck (NJWA 62)                                    | R (1740)                        | 2000                | \$ 200,000   | \$ 111,739             |
|                       | Landscape trailer (2)   | R (1908,1909)                   | 2003                | \$ 16,000    | \$ 6,280               |
|                       | 3 point arm hitch mower   | R (2264)                        | 2016                | \$ 54,000    | \$ 25,575              |
|                       | Bath tub Container  | R (2082)                        | 2008                | \$ 7,500     | \$ 4,195               |
|                       | Snow Blowers (2)  | A & R (1237)                    | 1991                | \$ 3,600     | \$ 1,475               |
|                       | Jon Boats (2)   | R <1000                         |                     | \$ 4,000     | \$ -                   |
|                       | Toro Ground Master  | R ( Half of 2053)               | 2007                | \$ 30,000    | \$ 21,155              |
|                       | SUV   | A                               |                     | \$ 45,000    |                        |
|                       |   |                                 |                     |              |                        |
| <b>AUTO SHOP</b>      | Current Year F250 Pickup  | R (2016)                        | 2006                | \$ 50,000    | 22,788                 |
|                       | Transmission Fluid Exchanger  | A                               |                     | \$ 6,000     |                        |
|                       | Diagnostic Smoke Machine  | A                               |                     | \$ 3,500     |                        |
|                       | Fcar MunicipalScanner F3G   | A                               |                     | \$ 5,000     |                        |
| <b>IT</b>             | Dell Poweredge Server - Wshed   | R (2270)                        | 2016                | \$ 10,000    | 4,863                  |
|                       |   |                                 |                     |              |                        |
| <b>SECURITY</b>       | Security Vehicle (NJWA 14)  | R (2356)                        | 2019                | \$ 32,000    | 19,693                 |
|                       | Fire Alarm (Annex)  | R                               |                     | \$ 6,000     |                        |

|  |  |                  |           |
|--|--|------------------|-----------|
|  | TOTAL COST                                       | \$823,850        | \$384,112 |
|  | LESS AMOUNT CHARGED TO DEPRECIATION RESERVE      | (384,112)        |           |
|  | NET TOTAL  | <u>\$439,738</u> |           |
|  | LESS AMOUNT CHARGED TO CAPITAL EQUIPMENT RESERVE | (\$410,000)      |           |
|  | TOTAL  | \$29,738         |           |

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 7 - Estimate Of Interest Income For Fiscal Year 2023 Budget**

| Fund/Reserve            | TD Bank<br>Funds     |           |
|-------------------------|----------------------|-----------|
| Operating               | \$ 2,280,000         |           |
| Reserve for O & M       | 3,640,000            |           |
| Pumping Reserve         | 1,860,000            |           |
| Self-Insurance Reserve  | 930,000              |           |
| Rate Stabilization Fund | 88,000               |           |
| Estimated Total         | \$ 8,798,000         |           |
|                         | \$8,798,000 x .25% = | \$ 21,995 |
|                         | Total                | \$ 21,995 |
|                         | Estimate             | \$ 22,000 |

Note: Long-term investment earnings are being used to fund depreciation reserve.

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 8 - Unanticipated Revenue**

Funds to be appropriated Into the Rate Stabilization Fund for Fiscal Year 2023

|   |               |
|---|---------------|
|   | <u>Amount</u> |
| F/Y2021 Net Year-End Balance                              | \$870,000     |
| Transfer from SWP fund for labor/fringe on grant projects | \$200,000     |

| <u>Overdrafts</u>            | <u>Invoice No.</u> | <u>Billed</u> | <u>Amount</u> |
|------------------------------|--------------------|---------------|---------------|
| NJ American                  | R298               | Nov-20        | \$24,244      |
| Morris County MUA            | R301               | Nov-20        | \$426         |
| Roxiticus                    | R305               | Nov-20        | \$1,595       |
| Stonebridge Community Assoc. | R300               | Nov-20        | \$477         |
| Village Grande               | R304               | Nov-20        | \$695         |
| Mt Olive Twp.                | R308               | Nov-20        | \$179         |
| <br>Unbilled:                |                    |               |               |
| Mt. Olive (Mar-June)         |                    |               | \$281         |
| NJ American (June '21)       |                    |               | \$83,132      |
| NJ American (July '21)       |                    |               | \$105,308     |
| Total                        |                    |               | \$216,337     |
| Amount used in FY2021        |                    |               | -             |
| NET                          |                    |               | \$216,337     |

Overdrafts Not Billed, Accrued through July, 2021

Renaissance at Monroe  
NJ American

Other Sources of Funds

|             |             |
|-------------|-------------|
| Grand Total | \$1,286,337 |
| FY23 Budget | \$1,286,340 |

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 9 - Fund Balances as of 6/30/21**

\*\*Final\*\*

|   | REVENUE<br>FUND | OPERATING<br>ACCOUNT | OPERATING<br>FUND | O & M<br>RESERVE | LONG-TERM<br>INVESTMENTS<br>O & M<br>RESERVE | TOTAL  |
|---|-----------------|----------------------|-------------------|------------------|--|--|
| BALANCE 6/30/21                                       | \$1,335,360     | \$1,991,674          | \$3,286,995       | \$3,645,173      | \$0  | \$10,259,202   |
| Deduct: Accrued expenses to be paid as of 6/30/21     |                 |                      | (257,779)         |                  |  | (257,779)  |
| Deduct: June 1st billing, received                    |                 |                      | (1,841,961)       |                  |  | (1,841,961)  |
| Adjusted Balances 6/30/21                             | \$1,335,360     | \$1,991,674          | \$1,187,255       | \$3,645,173      | \$0  | \$8,159,462  |
| <br>INCOME  |                 |                      |                   |                  |  |  |
| Reimbursement Manasquan                               |                 |                      |                   |                  |  |  |
| Receipt of Headquarters Overhead Expenses for 7/10/21 |                 |                      | 157,250           |                  |  | 157,250  |
| Operating transfer                                    | (\$1,335,360)   | (\$1,991,674)        | 3,327,034         |                  |  | -  |
| <br>EXPENSES  |                 |                      |                   |                  |  |  |
| O & M Expenses - (A/P 6/30/21)                        |                 |                      |                   |                  |  |  |
| Includes accrued Payroll thru 6/30/21                 |                 |                      | (566,017)         |                  |  | (566,017)  |
| Capital items to be purchased by 6/30/21              |                 |                      | (203,720)         |                  |  | (203,720)  |
| Various Reserve contributions (one month)             |                 |                      | -                 |                  |  | -  |
| PROJECTED BALANCE AT 6/30/21                          | \$0             | \$0                  | \$3,901,802       | \$3,645,173      | \$0  | \$7,546,975  |
|   |                 |                      |                   |                  |  | Less: O & M reserve balance (3 mos required by resolution) (3,666,834)   |
|   |                 |                      |                   |                  |  | Adjusted balance of funds available 6/30/21 3,880,141  |
|   |                 |                      |                   |                  |  | Use of Available Funds   |
|   |                 |                      |                   |                  |  | Unanticipated revenues (overdrafts in FY21 to be available for appropriation to Rate Stabilization Fund for FY23) (27,616) |
|   |                 |                      |                   |                  |  | Rate Stabilization Fund Transfer for FY22 (1,262,390)  |
|   |                 |                      |                   |                  |  | Projected Net Balance <b>\$2,590,135</b>   |



NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 10 - Projected Fiscal Year 2023 Operations & Maintenance Component  
and Debt Service Assessment Sales Base**

| USER  | DAILY<br>ALLOCATION<br>(MGD) | DAYS PER<br>YEAR | TOTAL<br>MG/YR | ANNUALIZED<br>SALES BASE<br>(MGD) |
|---|------------------------------|------------------|----------------|-----------------------------------|
| East Brunswick Twp  | 8.000                        | 365              | 2,920.000      | 8.000                             |
| NJ American Water Company                                   | 126.600                      | 365              | 46,209.000     | 126.600                           |
| Mercer County Park Commission – Golf                        | 0.132                        | 184              | 24.300         | 0.067                             |
| Middlesex Water Co.   | 27.000                       | 365              | 9,855.000      | 27.000                            |
| New Brunswick, City of                                      | 10.500                       | 365              | 3,832.500      | 10.500                            |
| North Brunswick Twp.  | 8.000                        | 365              | 2,920.000      | 8.000                             |
| Princeton University PPL                                    | 0.150                        | 365              | 54.750         | 0.150                             |
| Trenton Country Club  | 0.126                        | 365              | 46.000         | 0.126                             |
| Suez Water Lambertville                                     | 0.490                        | 365              | 178.850        | 0.490                             |
| Ridge at Back Brook   | 0.111                        | 365              | 40.510         | 0.111                             |
| Roxbury Water Company                                       | 0.041                        | 365              | 15.000         | 0.041                             |
| Royce Brook Golf Club                                       | 0.165                        | 365              | 60.230         | 0.165                             |
| Hunterdon County Golf (Heron Glen)                          | 0.079                        | 365              | 28.800         | 0.079                             |
| Raritan Valley Country Club                                 | 0.012                        | 365              | 4.380          | 0.012                             |
| East Windsor Municipal Utilities Authority                  | 0.011                        | 365              | 4.000          | 0.011                             |
| Somerset County Park Commission (Neshanic Valley Golf Club) | 0.142                        | 365              | 51.750         | 0.142                             |

**Schedule 10 (Cont.) - Projected Fiscal Year 2023 Operations & Maintenance Component  
and Debt Service Assessment Sales Base**

| USER  | DAILY ALLOCATION (MGD) | DAYS PER YEAR | TOTAL MG/YR | ANNUALIZED SALES BASE (MGD) |
|---|------------------------|---------------|-------------|-----------------------------|
| Lamington Farms LLC (Trump National Golf Club)    | 0.170                  | 365           | 62.100      | 0.170                       |
| Morris County Municipal Utilities Authority       | 0.079                  | 365           | 28.830      | 0.079                       |
| Mt. Olive Township                                | 0.010                  | 365           | 3.554       | 0.010                       |
| Washington Township Municipal Utilities Authority | 0.035                  | 365           | 12.775      | 0.035                       |
| Borough of Glen Gardner                           | 0.008                  | 365           | 2.775       | 0.008                       |
| Roxiticus Golf Club                               | 0.046                  | 365           | 16.790      | 0.046                       |
| Hamilton Farm Golf Club                           | 0.138                  | 365           | 50.400      | 0.138                       |
| Springdale Golf Club                              | 0.098                  | 365           | 35.640      | 0.098                       |
| NJ Department of Corrections                      | 0.025                  | 365           | 9.250       | 0.025                       |
| Stonebridge Community Assoc.                      | 0.081                  | 365           | 29.565      | 0.081                       |
| Village Grande @ Bear Creek                       | 0.074                  | 365           | 27.010      | 0.074                       |
| Eastern Concrete Materials                        | 0.023                  | 365           | 8.500       | 0.023                       |
| Hunterdon Medical Center                          | 0.031                  | 365           | 11.000      | 0.031                       |
| Princeton University Operations                   | 0.027                  | 365           | 9.855       | 0.027                       |
| <b>TOTAL SALES BASE</b>                           |                        |               |             | <b>182.339</b>              |

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 11 - Operations And Maintenance Rate Component**

Fiscal Year 2023

Funds Required for FY2023 Budget

|  |    |                  |
|--|----|------------------|
| Proposed Operating Expense and Capital Budget  | \$ | 14,320,922       |
| Less Miscellaneous Revenues & Interest Income  |    | (\$69,200)       |
| Other Available Funds  |    | (\$1,286,340)    |
| Net Budget Requirement   |    | \$12,965,382     |
| Less: 182.339 x 194.00 x 61Days<br>(Cash received in July and August for water used in<br>May and June based on \$194.00/mg) |    | (\$2,157,800)    |
| <br>Additional Revenue required to cover Operations and<br>Maintenance Expense through 6/30/23                               |    | <br>\$10,807,582 |

Computation of Operations & Maintenance Rate for Fiscal Year 2023

|   |  |               |
|---|--|---------------|
| Sales Base  |  |               |
| Period 7/1/22 to 4/30/23 305 days x 182.339 mgd   | =  | 55,613.40 mg  |
| <br>Required Operations & Maintenance Rate FY2023 |  |               |
|   | $\frac{\$10,807,582 \text{ mg}}{55,613.40 \text{ mg}}$ | = \$194.00 mg |

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 12 - Debt Service Rate Component For NJEIFP Loan Repayment**

Debt Service Rate Component for NJIB Loan Repayment

Effective July 1, 2022 (FY2023, July 1, 2022-June 30, 2023)

Total due on Principal and Interest \$ 5,677,405 /year

$$\text{Debt Service Rate for NJIB Loan} = \frac{\$5,677,405}{182.339\text{mgd} \times 365 \text{ days}} = \$85.00 /\text{mg}$$

\*This rate may be subject to future adjustments based on actual loan terms.

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**Schedule 13 - Capital Improvement Program**  
Fiscal Years 2022-2025

| PROJECT   | ESTIMATED            | Period     | Priority | Prior             | \$33              | \$33              | \$34             | \$53             | \$53             |
|---|----------------------|------------|----------|-------------------|-------------------|-------------------|------------------|------------------|------------------|
|   | PROJECT              | First      |          |                   | Years             | FY                | FY               | FY               | FY               |
|   | COST                 | Identified |          |                   | 2022              | 2023              | 2024             | 2025             | 2026             |
| Dredging Kingston & Amwell Rd - Des Eng./Const. Eng/Construct. (\$36.8M bonded)       | \$ 39,200,000        | 2006       | High     | \$ 800,000        | \$ 1,600,000      |                   |                  |                  |                  |
| Rehabilitate Western Embankment Stockton Borough                                      | \$ 4,000,000         | 2006       | High     | \$ 394,318        | \$ 1,000,000      | \$ 2,605,682      |                  |                  |                  |
| Rehab Swan Creek Aqueduct New Project Includes Culvert Work                           | \$ 1,200,000         | 2015       | High     | \$ -              |                   |                   | \$ 100,000       | \$ 1,100,000     |                  |
| Dam Impmnts as Recommended by TRB (Preliminary Eng'g and Owner's Eng'r)               | \$ 2,700,000         | 2013       | High     | \$ 2,373,864      | \$ 175,000        | \$ 151,136        | \$ -             |                  |                  |
| RV Res Dams-Rehab & Resource Preservation Project (eng only) (bond)                   | \$ 5,900,000         | 2015       | High     |                   |                   |                   |                  |                  |                  |
| Round Valley Dam Improvements - Construction (bond)                                   | \$ 65,000,000        | 2015       | High     | \$ -              |                   |                   |                  |                  |                  |
| Construction Eng'g Mgmt for RV Dam Improvements (bond)                                | \$ 7,500,000         | 2015       | High     | \$ -              |                   |                   |                  |                  |                  |
| Electrical Improvements at Round Valley Reservoir (bonded)                            | \$ 150,000           |            | High     |                   |                   |                   |                  |                  |                  |
| Security Improvements at RV Reservoir (Cameras) (Not bonded)                          | \$ 1,200,000         | 2016       | High     | \$ -              |                   | \$ 300,000        | \$ 900,000       |                  |                  |
| Security Improvements at RV and SR (Perimeter hardening) (Not bonded)                 | \$ 800,000           | 2017       | High     | \$ -              |                   | \$ 150,000        | \$ 150,000       | \$ 250,000       | \$ 250,000       |
| Background Screening of Contractors and Consultants (Not bonded)                      | \$ 202,252           |            | High     | \$ 135,034        | \$ 67,218         |                   |                  |                  |                  |
| New 2D Inundation Mapping for Round Valley and Spruce Run Reservoir                   | \$ 500,000           | 2015       | High     | \$ -              |                   |                   | \$ 250,000       | \$ 250,000       |                  |
| Rehab of 6-Mile Run Culvert   | \$ 1,500,000         | 2008       | High     | \$ 186,198        | \$ 1,000,000      | \$ 313,802        |                  |                  |                  |
| Replace Fuel Dispenser and Software/inventory System at Spruce Run Adm.               | \$ 250,000           | 2017       | High     | \$ 155,224        | \$ 94,776         |                   |                  |                  |                  |
| Replace Office Phone System - Authority Wide  | \$ 80,000            | 2017       | High     | \$ -              | \$ 80,000         |                   |                  |                  |                  |
| Refurbishment of the Main Pumps & Motors 4, 5, 7, & 8 with additional upgrades (bond) | \$ 6,000,000         | 2008       | High     | \$ 352            | \$ 2,200,000      | \$ 3,799,648      |                  |                  |                  |
| Replace Boilers at Spruce Run Administration Building                                 | \$ 175,000           | 2018       | High     |                   |                   | \$ 75,000         | \$ 100,000       |                  |                  |
| Replace Water Storage Tanks in Spruce Run Administration Building Basement            | \$ 100,000           | 2018       | High     |                   | \$ 100,000        |                   |                  |                  |                  |
| Emergency Generator at Spruce Run Administration Building                             | \$ 400,000           | 2019       | High     |                   | \$ 200,000        | \$ 200,000        |                  |                  |                  |
| SR Reservoir Multidisciplinary Release Works Improvements & Studies                   | \$ 4,000,000         | 2016       | High     | \$ 240,849        | \$ 2,000,000      | \$ 1,500,000      | \$ 259,151       |                  |                  |
| Wastegate and Lock Evaluation and Repair - D&R Canal                                  | \$ 603,656           | 2020       | High     | \$ 3,656          | \$ 450,000        | \$ 150,000        |                  |                  |                  |
|   | \$ 136,657,252       |            |          |                   |                   |                   |                  |                  |                  |
| Scudder Falls Wastegate Controls Improvement  | \$ 75,000            | 2019       | Med High |                   |                   |                   | \$ 75,000        |                  |                  |
| Rehab of Upper Canal Embankment - Raven Rock to Prallsville                           | \$ 4,800,000         | 2006       | Med High | \$ 116,559        | \$ 400,000        | \$ 1,500,000      | \$ 1,500,000     | \$ 1,283,441     |                  |
| Rehabilitate Flow Control Gate on Back Race at Lambertville                           | \$ 150,000           | 2019       | Med High |                   |                   | \$ 75,000         | \$ 75,000        |                  |                  |
| Rehab of Canal Flow Control Structures  | \$ 1,500,000         | 2000       | Med High | \$ -              |                   |                   |                  | \$ 100,000       | \$ 1,400,000     |
| Rehab of Landing Lane Spillway and Rehab Slope Downstream of Island Farm Weir         | \$ 1,850,000         | 2013       | Med High | \$ 450,703        | \$ 1,399,297      |                   |                  |                  |                  |
| Repair of Pipe at Whitehead Road  | \$ 500,000           | 2012       | Med High | \$ -              |                   |                   | \$ 250,000       | \$ 250,000       |                  |
| Rehabilitation Work at Washington Crossing Spillway                                   | \$ 300,000           | 2012       | Med High | \$ -              |                   |                   |                  | \$ 150,000       | \$ 150,000       |
| Security System and Upgrades (Clinton and Canal)                                      | \$ 450,000           | 2003       | Med High | \$ 44,760         | \$ 100,000        | \$ 100,000        | \$ 50,000        | \$ 50,000        | \$ 105,240       |
| Rooftop Hydronic Heater for Auto Shop - Spruce Run Admin.                             | \$ 50,000            | 2020       | Med High |                   | \$ 50,000         |                   |                  |                  |                  |
|   | \$ 9,550,000         |            |          |                   |                   |                   |                  |                  |                  |
| Alexauken Creek Aqueduct  | \$ 1,000,000         | 2015       | Medium   |                   |                   |                   |                  | \$ 500,000       | \$ 500,000       |
| Rebuild Stone Embankment at the 10 Mile Waste Gate and Rebuild Façade                 | \$ 200,000           | 1990       | Medium   |                   |                   | \$ 100,000        | \$ 100,000       |                  |                  |
| Rehab of Spillway Upstream of Griggstown Lock   | \$ -                 | 2010       | Medium   |                   |                   |                   |                  |                  |                  |
| Rehab of Culvert at Station 2550+90 (1 mile upstream of 10-mile)                      | \$ 700,000           | 2008       | Medium   |                   |                   |                   |                  |                  | \$ 700,000       |
| Replace Boiler at Canal Field Office  | \$ 150,000           | 2019       | Medium   |                   |                   | \$ 150,000        |                  |                  |                  |
| Replace Underground Heating Oil Tank at South Branch Pumping Station                  | \$ 300,000           | 2018       | Medium   |                   |                   |                   |                  | \$ 300,000       |                  |
| Replace Underground Heating Oil Tank at SR Admin Building                             | \$ 300,000           | 2019       | Medium   |                   |                   |                   |                  | \$ 300,000       |                  |
| Replace Underground Diesel and Gasoline Tanks at Spruce Run Admin Building            | \$ 600,000           | 2019       | Medium   |                   |                   |                   |                  | \$ 600,000       |                  |
| Spruce Run Administration Building Network Data Closet Construction                   | \$ 100,000           | 2019       | Medium   |                   |                   | \$ 100,000        |                  |                  |                  |
| Replace Heaters at Langenfelder Maintenance Building                                  | \$ 20,000            | 2020       | Medium   |                   | \$ 20,000         |                   |                  |                  |                  |
|   | \$ 3,370,000         |            |          |                   |                   |                   |                  |                  |                  |
| Rehab of Traprock Spillway  | \$ -                 | 2010       | Low      |                   |                   |                   |                  |                  |                  |
| Dredging between Landing Lane and Route 18 - Engineering                              | \$ -                 | 2007       | Low      |                   |                   |                   |                  |                  |                  |
| Dredging of Canal Between Lambertville and Route 1                                    | \$ -                 | 2015       | Low      |                   |                   |                   |                  |                  |                  |
| Dredging of Canal Between Amwell Road and 10 Mile                                     | \$ -                 | 2015       | Low      |                   |                   |                   |                  |                  |                  |
| Storage Building at Canal Field Office  | \$ -                 | 2019       | Low      |                   |                   |                   |                  |                  |                  |
| Spruce Run Administration Building Tie-in to Public Water Supply                      | \$ -                 | 2018       | Low      |                   |                   |                   |                  |                  |                  |
| Storage Building near Spruce Run Annex  | \$ -                 | 2018       | Low      |                   |                   |                   |                  |                  |                  |
| Construction Bedload Stone Trap @ Wickecheoke Creek                                   | \$ -                 | 1995       | Low      |                   |                   |                   |                  |                  |                  |
| Cutoff Wall in Shipetaukin Creek Guard Bank   | \$ -                 | 2005       | Low      |                   |                   |                   |                  |                  |                  |
| Wickecheoke Creek Gates Abandonment   | \$ -                 | 2015       | Low      |                   |                   |                   |                  |                  |                  |
| Rehab of Gold Run Spillway  | \$ -                 | 2008       | Low      |                   |                   |                   |                  |                  |                  |
| Carnegie Lake Culverts Investigation / Isolation                                      | \$ -                 | 2015       | Low      |                   |                   |                   |                  |                  |                  |
| Raven Rock Retaining Wall Downcanal of Lock   | \$ -                 | 2015       | Low      |                   |                   |                   |                  |                  |                  |
| Refurbishment of the Main Pumps & Motors 3 & 9  | \$ -                 | 2015       | Low      |                   |                   |                   |                  |                  |                  |
| Refurbishment of the Main Pumps & Motors 2 & 10                                       | \$ -                 | 2015       | Low      |                   |                   |                   |                  |                  |                  |
| Canal Culvert Rehabilitation 2249+79 (Suydam)   | \$ -                 | 2015       | Low      |                   |                   |                   |                  |                  |                  |
| Canal Culvert Rehabilitation 2661+86 (Randolph Brook)                                 | \$ -                 | 2015       | Low      |                   |                   |                   |                  |                  |                  |
| Canal Culvert Rehabilitation 2992+34 (Mile Run Culvert)                               | \$ -                 | 2015       | Low      |                   |                   |                   |                  |                  |                  |
| Concrete Repairs at the Sullivan Way Aqueduct   | \$ -                 | 2007       | Low      |                   |                   |                   |                  |                  |                  |
| Rehab of the Four Mile Spillway   | \$ -                 | 2010       | Low      |                   |                   |                   |                  |                  |                  |
| Third Hand Shop Culvert under D&R Canal Cleaning (partially Clogged)                  | \$ -                 | 2019       | Low      |                   |                   |                   |                  |                  |                  |
| No-Name Culvert Under Canal Sta. 936+50 Outlet Cleaning (Part Clogged)                | \$ -                 | 2019       | Low      |                   |                   |                   |                  |                  |                  |
| Pipeline Evaluation - Whitehouse Release Pipeline                                     | \$ -                 | 1990's     | Low      |                   |                   |                   |                  |                  |                  |
| Pipeline Evaluation - RV Force Main   | \$ -                 | 1990's     | Low      |                   |                   |                   |                  |                  |                  |
|   | \$ -                 |            |          |                   |                   |                   |                  |                  |                  |
| <b>TOTAL</b>  | <b>\$ 36,050,668</b> |            |          | <b>4,901,517</b>  | <b>10,936,291</b> | <b>11,270,268</b> | <b>3,809,151</b> | <b>5,133,441</b> | <b>3,105,240</b> |
| <b>Balance CIP</b>  |                      |            |          | <b>21,000,000</b> | <b>12,260,151</b> | <b>3,192,342</b>  | <b>1,646,192</b> | <b>40,370</b>    | <b>462,749</b>   |

The estimated project costs listed includes engineering, cultural, construction and miscellaneous expenses.

Funds in CIP as of May 2021 is @ \$21 million.

Cost for the Dredging of the Canal between Kingston & Amwell Road final bonding occurred in FY21; \$36.8M bonded, remainder of project funded by cash.

Dredging/RV Project Debt Service Component Fund Balance also available for cost overruns in either project.

Spruce Run Improvements - An extensive improvement program including grouting and spillway repair is anticipated on an approximate 3-year timeline.

**RARITAN BASIN SYSTEM  
CAPITAL IMPROVEMENT PROGRAM  
Fiscal Years 2022 – 2026  
Updated – August 2021**

The following is a description of projects that the Authority anticipates being funded from the Capital Improvement Program (CIP) in Fiscal Years 2022 – 2026. Discussion also includes projects that may be delayed beyond FY 2026 due to funding.

| PROJECT   |
|---|
| Dredging Kingston & Amwell Rd - Des Eng./Const. Eng/Construct. (\$36.8M bonded) |
| Rehabilitate Western Embankment Stockton Borough                                |
| Rehab Swan Creek Aqueduct New Project Includes Culvert Work                     |
| Dam Impmnts as Recommended by TRB (Preliminary Eng'g and Owner's Eng'r)         |
| RV Res Dams-Rehab & Resource Preservation Project (Eng only)                    |
| Round Valley Dam Improvements - Construction (Bonded)                           |
| Construction Eng'g Mgmt for RV Dam Improvements (Bonded)                        |
| Grouting Abutments of RV Embankments (Bonded)                                   |
| Dredging Intake Channel to RV South Dam Tower (Bonded)                          |
| Electrical Improvements at Round Valley Reservoir (Bonded)                      |
| Security Improvements at RV Reservoir (Cameras) (Not bonded)                    |
| Security Improvements at RV and SR (Perimeter hardening) (Not bonded)           |
| Background Screening of Contractors and Consultants (Not bonded)                |
| New 2D Inundation Mapping for Round Valley and Spruce Run Reservoir             |
| Rehab of 6-Mile Run Culvert   |
| Replace Fuel Dispenser and Software/Inventory System at Spruce Run Adm.         |
| Replace Office Phone System - Authority Wide                                    |
| Refurbishment of the Main Pumps & Motors 4, 5, 7, & 8 with additional upgrades  |
| Replace Boilers at Spruce Run Administration Building                           |
| Replace Water Storage Tanks in Spruce Run Administration Building Basement      |
| Emergency Generator at Spruce Run Administration Building                       |
| SR Reservoir Multidisciplinary Release Works Improvements & Studies             |
| Wastegate and Lock Evaluation and Repair - D&R Canal                            |
|   |
| Scudder Falls Wastegate Controls Improvement                                    |
| Rehab of Upper Canal Embankment - Raven Rock to Prallsville                     |
| Rehabilitate Flow Control Gate on Back Race at Lambertville                     |
| Rehab of Canal Flow Control Structures  |
| Rehab of Landing Lane Spillway and Rehab Slope Downstream of Island Farm Weir   |
| Repair of Pipe at Whitehead Road  |
| Rehabilitation Work at Washington Crossing Spillway                             |

|   |
|---|
| Security System and Upgrades (Clinton and Canal)                            |
| Rooftop Hydronic Heater for Auto Shop - Spruce Run Admin.                   |
|   |
| Alexauken Creek Aqueduct  |
| Rebuild Stone Embankment at the 10 Mile Waste Gate and Rebuild Façade       |
| Rehab of Spillway Upstream of Griggstown Lock                               |
| Rehab of Culvert at Station 2550+90 (1 mile upstream of 10-mile)            |
| Replace Boiler at Canal Field Office  |
| Replace Underground Heating Oil Tank at South Branch Pumping Station        |
| Replace Underground Heating Oil Tank at SR Admin Building                   |
| Replace Underground Diesel and Gasoline Tanks at Spruce Run Admin Building  |
| Spruce Run Administration Building Network Data Closet Construction         |
| Replace Heaters at Langenfelder Maintenance Building                        |
|   |
| Rehab of Traprock Spillway  |
| Dredging Between Landing Lane and Route 18 - Engineering                    |
| Dredging of Canal Between Lambertville and Route 1                          |
| Dredging of Canal Between Amwell Road and 10 Mile                           |
| Storage Building at Canal Field Office                                      |
| Spruce Run Administration Building Tie-in to Public Water Supply            |
| Storage Building Near Spruce Run Annex                                      |
| Construction Bedload Stone Trap @ Wickecheoke Creek                         |
| Cutoff Wall in Shipetaukin Creek Guard Bank                                 |
| Wickecheoke Creek Gates Abandonment   |
| Rehab of Gold Run Spillway  |
| Carnegie Lake Culverts Investigation / Isolation                            |
| Raven Rock Retaining Wall Downcanal of Lock                                 |
| Refurbishment of the Main Pumps & Motors 3 & 9                              |
| Refurbishment of the Main Pumps & Motors 2 & 10                             |
| Canal Culvert Rehabilitation 2249+79 (Suydam)                               |
| Canal Culvert Rehabilitation 2661+86 (Randolph Brook)                       |
| Canal Culvert Rehabilitation 2992+34 (Mile Run Culvert)                     |
| Concrete Repairs at the Sullivan Way Aqueduct                               |
| Rehab of the Four Mile Spillway   |
| Third Hand Shop Culvert Under D&R Canal Cleaning (Partially Clogged)        |
| No-Name Culvert Under Canal Sta. 936+50 Outlet Cleaning (Partially Clogged) |
| Pipeline Evaluation - Whitehouse Release Pipeline                           |
| Pipeline Evaluation - RV Force Main   |
|   |

**Dredging Between Kingston and Amwell Road – Design Engineering**

**Dredging Between Kingston and Amwell Road – Construction Engineering (bond)**

**Dredging Between Kingston and Amwell Road – Construction \$41M (bond)**

Flow in the 10.5-mile reach of the Canal between Lincoln Highway (Route 27 just east of Kingston) and Amwell Road in Franklin Township, Somerset County was being hindered by accumulated sediment. The flow restriction is aggravated by weed growth during the summer months. To compensate for these flow restrictions, the Canal is operated at a level that is higher than desirable and causes water to overtop normally dry spillways. Five major water purveyors divert water from the Canal downstream of this area: North Brunswick Township, New Jersey American Water, Middlesex Water Company, East Brunswick Township and the City of New Brunswick.

Staff took cross-sectional measurements in this reach during 2007 and 2008 to estimate the quantity of accumulated sediment. Analysis of the cross-sections indicated that an estimated 248,000 cubic yards of sediment had accumulated in the Canal and needed to be removed and properly disposed.

Additionally, the US Route 202 sediment stockpile site in Delaware Township, Hunterdon County (just north of Lambertville) has reached capacity. Removal and disposal of up to 47,000 cubic yards of sediment from this site that was previously dredged as part of the Authority's maintenance dredging program was included as part of this dredging project.

Professional engineering consultant, Urban Dredging Consultants Joint Venture (Urban Dredging) was selected to plan the dredging program including development and execution of a proactive public participation program. A bathymetric survey was conducted and confirmed the quantity of sediment to be removed. Sediment cores were taken to determine the characterization of the material to be removed.

Urban Dredging considered the following four methodologies for the proposed dredging project: mechanical excavation (in dry), mechanical dredging (in wet), hydraulic dredging with Geobags, and hydraulic dredging with mechanical dewatering. All four considered methodologies have environmental concerns but hydraulic dredging methodologies reduce many of these concerns since the slurry would be conveyed in a pipe floating in the Canal to a temporary staging area for dewatering.

An Environmental Impact Assessment and the necessary public information meetings were held between 2010 and 2013. Five access points and the staging area were targeted and the design documents were completed. The determination of the disposal site (final destination) of the dredged material was the final critical element in the design.

As of June 2021, the project is 95% complete. The remaining 5% of the work will be completed by November 2021. The application for funding through the New Jersey Infrastructure Bank (NJIB), formerly the New Jersey Environmental Infrastructure Trust, was resubmitted and



formulated to cover the full estimated construction cost of the dredging, full-time inspection, and construction management by Urban Dredging, and other allowable expenses.

All permits for the project were obtained. A contract was executed with the lowest responsive bidder, J.F. Brennan Company, Inc., La Crosse, Wisconsin, and they mobilized on March 14, 2018.

Dredging and all the dewatered sediments have been transported over three seasons of work. Approximately 182,488 cubic yards have been dredged and 236,000 tons of material has been transported to a beneficial reuse site.

Dredging in the first season started in July 2018. Dredging was completed in Reaches 1, 2 and 4 in the first season of dredging. After drying and amending and mixing cement with the soil, approximately 50,000 cubic yards of dewatered sediment was transported to the beneficial reuse site. The second dredging season was completed in October 2019 and included Reach 3 and the majority of Reach 5. Approximately 46,700 cubic yards of sediment were removed from the stockpile site near Route 202 in Delaware Township. Approximately 41,000 cubic yards of sediment were dredged from Reach 3 and approximately 42,000 cubic yards of sediment were dredged from Reach 5. All dredged material, including the Route 202 stockpile, was taken to the beneficial reuse site. The contractor dredged the remainder of Reach 5 and all of Reach 6 in 2020 and completed transport of the dredged material to the beneficial reuse site in 2021. Approximately 27,000 cubic yards of material was dredged from Reach 5 and 22,500 cubic yards was dredged from Reach 6. The dredged materials from both reaches were transported to the beneficial reuse site. Final completion for this project will occur in FY22.

### **Rehabilitation of the Canal Western Embankment, Stockton Borough**

The one-mile long reach of the Western Embankment between the Prallsville Lock at Station 155+00 and the railroad bridge crossing over the Canal at Station 205+00 is a narrow embankment that separates the Canal from the Delaware River. During extreme flooding events, the embankment is threatened by the elevated floodwaters from the Delaware River. It was overtopped during separate major storm events in 2005 and 2006 when the embankment breached into the Canal. In 2011, Tropical Storms Irene and Lee caused severe flooding of the Delaware River. While the embankment did not breach, more than 1,000 linear feet of the embankment experienced slope failure on the Canal side due to the saturation of the embankment from the river, and significant amounts of soils slid into the Canal. These slides compromised the cross-sectional area of the embankment, temporarily reducing the ability for the embankment to resist breaches.

Emergency actions were taken to prevent a breach of the embankment following the storms in 2011. These emergency actions included placement of fill material onto the embankment with varying levels of compaction. The fill material had to be installed via conveyor belt from the opposite side of the Canal due to the unsafe nature of the embankment. While a breach was prevented, additional long-term repairs are required in order to reinforce the repaired areas. This earthen embankment is generally comprised of medium dense to very loose, brown silty or clayey sand with varying amounts of gravel, which can be susceptible to slope failure from

saturation and/or erosion during major flooding events, which can ultimately lead to breaching. Stability improvements are being considered to increase the factor of safety against slope failure; failure by piping through seepage, when the river approaches the top of the embankment; and failure by erosion caused by overtopping of the entire embankment.

A professional engineering services contract was awarded in March 2014 to a team led by TranSystems. Hunter Research was selected as the Cultural Resource consultant for the project. A Schematic Design report was prepared in September 2017. Analysis of repair alternates led us to select a design that included restoration of all Canal side slopes affected by the 2011 tropical storms, regrading of the embankment's crest to eliminate depressions that allow concentrated flow during flooding events, rehabilitation of the Delaware River dry-laid stone armoring at the embankment areas damaged by the 2011 storms, and a compaction grouting program for approximately 740 linear feet of embankment that should improve the soil's density and permeability parameters as well as the embankment's overall stability. Recent research concerning the potential risks of compaction grouting for narrow earthen embankments led our engineering team to conclude that compaction grouting should be discarded as an option. Currently, the Authority's engineering team is developing alternatives to the compaction grouting. The work is projected to begin in FY23.

### **Rehabilitation of the Swan Creek Aqueduct & Culvert**

The Swan Creek Aqueduct and Culvert are located at approximate Station 363+00 on the Canal in the City of Lambertville, Hunterdon County. The aqueduct structure was erected to carry the Canal over Swan Creek, with the secondary function of a spillway for the Canal. An adjacent culvert also contributes to the conveyance of Swan Creek under the Canal, the multi-use trail, and the former Belvidere-Delaware Railroad. The Swan Creek Aqueduct is a concrete and masonry structure that was partially rehabilitated in 1989 when waste gates were replaced, some of the masonry was reconstructed, and some of the existing concrete was repaired with shotcrete.

Repairs were made to the structure in 2006 following major flooding events on the Delaware River. Significant leakage occurred through the masonry wall on the southeast part of the structure where Swan Creek enters the opening under the aqueduct. A contractor was hired on an emergency basis to pump pressure grout behind the wall where a sinkhole had formed as a result of the seepage. The seepage was slowed significantly by the injection of the grout, although it did not stop completely.

A jet grout seepage cutoff wall was constructed in April 2009 to eliminate seepage through the wingwall. Most of the seepage was stopped with the jet grout seepage cutoff wall. An additional phase of repairs was conducted in 2014, which included rehabilitation of masonry and concrete and replacement of the bent stem for one of the two waste gates.

The scope of work for the 2014 repair project was reduced during construction due to dewatering issues and safety concerns of the contractor. The corrugated metal liner in the north culvert showed signs of being corroded, limiting the amount of work which could be conducted in the culvert.

A Scope of Services will be developed to retain a consulting engineer to design a new structural liner to guard against further deterioration and concrete spalling. The design engineer will have to address all of the concerns noted during the 2014 construction, as well as consider design options for the culvert rehabilitation and reinforcement that will not significantly reduce the flow rate capacities of the culverts.

### **Round Valley Reservoir Dams-Rehabilitation & Resource Preservation Project – Earthen Dam Rehabilitation and Ancillary Work**

Preliminary Engineering and Owner’s Engineer

Design Improvements to Round Valley Dams - Engineer of Record – Design Engineering Only

Earthen Dam Rehabilitation and Ancillary Work (Improvements to Round Valley Dams) – Construction (Bond)

Construction Engineering Management for Design Improvements to Round Valley Dams (Bond)

Dam Abutment Grouting (Round Valley North and South Dams) (Bond)

Sediment Relocation (Dredging) for Maintenance of the South Tower Intake Channel (Dredging) (Bond)

Round Valley Reservoir Electrical Services Upgrades

Round Valley Security Improvements (Cameras)

Background Screening of Contractors and Consultants

In connection with the 2013 Formal Dam Inspection, the Authority convened a Technical Review Board (TRB) in April-May 2014 comprised of experts in the fields of dam construction on limestone formations, evaluation of critical dam construction features, and geology related to dam construction. This was the first TRB that was assembled to review information about the construction and operation of the Round Valley (RV) Reservoir and the first one in 20 years to look at operations data at Spruce Run (SR) Reservoir. The SR and RV Dams were constructed in the 1960s. The TRB recommended additional information gathering of the construction plans and records for the RV dams, and the installation of piezometers at the three embankments at RV Reservoir. The TRB also recommended installation of additional piezometers at SR Dam. The TRB recommended that the side scan sonar, previously conducted in the mid-1980s at the SR Reservoir, be repeated and that the drainage pipes at the toe of the SR Dam be visually inspected by remotely operated cameras. The TRB also recommended that a follow-up to the first TRB be performed for RV and SR.

The 2013 contract with Gannett Fleming, the engineering consultant for the Formal Dam Inspection, was amended to oversee the performance of the above noted work, including but not limited to, subcontracting the specialty drillers for the installation of the piezometers at all four dams, subcontracting for the performance of the side scan sonar, and overseeing the follow-up TRB meetings for RV and SR.

In preparation for the follow-up RV TRB, Authority staff was tasked with compiling and digitizing all available records of the RV embankments. A searchable database was constructed to assist Authority staff, the TRB, the Owner's Engineer, and the Engineer of Record eventually chosen for the rehabilitation work at RV in their analysis of all available data pertaining to the construction and maintenance of the embankments. The first RV TRB took place in July 2015 and was specifically slated to conduct a Potential Failure Mode Analysis (PFMA) on the three RV Embankments (RV South, RV North, and RV Dike). In its report on the PFMA, the TRB recommended that the Authority "begin budgeting, engineering, and planning for the required modifications" to RV.

At that time, it was anticipated that construction would be large in scale and include the following, at a minimum:

- Foundation rock grouting, particularly at the embankments/abutments to mitigate potential sources of seepage;
- Installation of a new blanket drain system on the downstream slopes of all three embankments at Round Valley to filter the existing seepage;
- Installation of new toe drains to filter, collect, and convey embankment and foundation seepage safely away from the structures; and
- Installation of additional fill to flatten the downstream slopes to increase the stability factor of safety.

Schnabel Engineering was procured to act as the Engineer of Record to investigate, plan, design, and provide full time construction management services for the above noted efforts. Gannett Fleming was procured to provide further engineering and consulting services during design and construction of the Round Valley Dam rehabilitation. The Authority will utilize Gannett Fleming in the role of Owner's Engineer during the design and construction of the project. While Schnabel Engineering will act as the Engineer of Record, Gannett Fleming will continue to provide advice and consultation to Authority staff during this very important project.

Schnabel Engineering completed the design plans, specifications, and permitting for the project. The following represents a summary of the current tasks that are part of the design:

- Dredging of the Round Valley South Tower Intake Channel (detailed below);
- Security improvements at RV Reservoir (detailed below);
- Consider alternatives to rehabilitate the hydraulic valve on the Round Valley South Dam (detailed below);
- Remove and replace 10-inch cast iron pipe that connects the RV Force Main to the RV South Vault (detailed below);
- Repairs to the Round Valley building structures (towers and vaults, detailed below);
- Installation of a new blanket drain system on the downstream slopes of all three embankments at Round Valley to filter the existing seepage;
- Installation of new toe drains to filter, collect, and convey embankment and foundation seepage safely away from the structures;

- Electrical service improvements to the three embankments at RV Reservoir (detailed below);
- Grouting of the abutments at the North and South Dams.

It is noted that, with the exception of the security improvements and the electrical service improvements, which will be financed from the CIP, long-term bond funding has been obtained from the New Jersey Infrastructure Bank (NJIB). The project is intended to be phased with the abutment grouting, intake channel dredging, and electrical improvements to be implemented prior to the large scale work on the embankments, which will incorporate all of the remaining noted scope items. The security improvements are scheduled to be constructed after the large scale embankment work.

### **Round Valley North and South Dam Abutment Grouting (Construction Completed in FY20)**

Following an initial recommendation from the TRB, the Engineer of Record reviewed all of the grouting records associated with the original construction. The Engineer of Record has recommended grouting of the abutments at the North and South Dam. The abutments are the edges of the dam where the constructed embankment meets the existing valley slope. Review of the original grouting records suggested that the grouting was terminated before it reached the end of the abutments. The grouting in this project was accomplished by drilling through the overburden soils and into the bedrock below. Cementitious grout was then pumped under pressure into the bedrock to fill existing cracks or voids that may be present. This project was completed in FY20.

This project was bid out separately from the other RV projects so that it could be completed ahead of the large scale embankment modifications. Since this project was financed through NJIB bonding, funding is not included in the CIP budget.

### **Dredging Intake Channel to Round Valley South Dam Tower (Construction completed in FY20)**

When the Round Valley Reservoir was originally constructed, a channel was blasted and excavated from the rock leading into the reservoir side of the Round Valley South Dam Tower. Over more than 50 years of pumping from the river, the constructed channel has filled with sediment. As part of the large-scale Round Valley Rehabilitation & Resource Preservation Project, the consultants were asked to prepare design plans to remove the significant volume of sediment from the channel.

The investigation and design for this project is included in the scope for the Engineer of Record on the Round Valley Reservoir Dams-Rehabilitation & Resource Preservation Project. It was anticipated that the sediment will be collected using a dredge. The chosen design called for relocation of the sediment to the deepest parts of the reservoir. The project was bid, awarded, constructed, and completed in the winter of 2019/2020 (FY20).

This project was bid out separately from the other RV projects so that it can be completed ahead of the large scale embankment modifications. Since it will be bonded, funding is not included in the CIP budget.

### **Round Valley Reservoir Electrical Service Upgrades (Construction completed in FY21)**

The Earthen Dam Rehabilitation and Ancillary Work (detailed below) project required the installation of a dewatering pump system at the toe of each embankment. This system will require the use of significant electricity. In advance of the large scale project, the Authority made upgrades to the existing electrical service at the North Dam and South Dam, and installed electrical service at the Dike. These services were sized appropriately for the dewatering system at each embankment and future improvements to the structures, including security upgrades and electric actuators. This project also included upgraded electric panels at each vault, generator transfer switches at each vault, and internet service installation at the Dike (for security improvements). This work was paid for from the CIP budget and was completed in fall 2020 (FY21).

### **Earthen Dam Rehabilitation and Ancillary Work (One Construction Contract):**

#### Embankment Modifications

The goal of the embankment modifications, as stated above, is to install a new blanket drain system on the downstream slopes of all three embankments at Round Valley to filter the existing seepage. Further, the existing seepage will be collected in new toe drains, monitored, and conveyed safely away from the structures.

Final design plans and technical specifications and permitting are complete. The scope of the design was discussed and vetted at a meeting that included the Engineer of Record, members of Authority staff, representatives of the NJDEP Bureau of Dam Safety, the Authority's Technical Review Board (TRB), and the Owner's Engineer. The design includes excavation into each dam while maintaining a specific slope acceptable to the Engineer of Record and the TRB. The soils removed from the embankments will be stockpiled at or near each dam site. Once the excavation has reached a certain depth, a sand and gravel filtering drain will be installed across the entire exposed downstream slope. In order to maintain a crest width sufficient for construction operations, the crests of the North and South dams will be temporarily lowered. The maximum allowable reservoir pool elevation during the project will be EL 360 feet, or 25 feet below normal pool.

At each embankment, the major excavation work must be preceded by the installation of dewatering wells and piezometers. The dewatering wells will act to lower the phreatic line (groundwater levels) in the embankments. The new piezometers will determine the effectiveness of the dewatering wells, which must be proved prior to excavation into the embankments.

This project (Earthen Dam Rehabilitation & Ancillary Work) was bid in the fall of 2019 and awarded to a contractor with a notice to proceed in January of 2020 and construction initiated shortly thereafter. The embankment work is phased with the Dike being constructed first,

followed by the North Dam, and then the South Dam. The project is scheduled to continue through the beginning of FY23. This work will be paid for through a separate application for bonding. Since it will be bonded, funding is not included in the CIP budget

### Round Valley Ancillary Work

#### Rehabilitate Hydraulic Valve on RV South Dam Low-Level Release

The existing RV low-level release valve was last rehabilitated in 1992 when a hydraulic valve actuator and hydraulic control system were installed at the Round Valley South Tower. This hydraulic system, with hoses reaching down to 180 feet below the water surface to the low level release valve, replaced the out-of-service original control system. The hydraulic valve installed in 1992 is no longer functional and requires rehabilitation.

The investigation and design for this project is included in the scope for the Engineer of Record on the Round Valley Reservoir Dams-Rehabilitation & Resource Preservation Project. After inspection of the system and a report of proposed alternatives, the alternative selected is the complete abandonment of the low-level release pipeline. Abandonment will be accomplished by filling the pipeline with grout. The hydraulic lines to the underwater actuator will be removed. This work is included in the contract for the Earthen Dam Rehabilitation and Ancillary Work contract and paid for through the above noted bonding. Since it is being bonded, funding is not included in the CIP budget.

#### Rehabilitation of 10-inch Cast Iron Pipe Connecting RV-S Dam Vault to Force Main

The existing 10-inch cast iron pipe connecting the 108-inch RV Force Main to the RV South Dam Vault was installed as part of the original construction of the Force Main. Through the use of dye testing, Authority staff confirmed that an underground leak exists somewhere in this 10-inch cast iron pipe, likely adjacent to the vault. This pipe is installed underground with flanged connections which are prone to leak in buried applications. The alternative selected for the repair is to replace the pipe by direct burial.

The investigation and design for this project is included in the scope for the Engineer of Record on the Round Valley Reservoir Dams-Rehabilitation & Resource Preservation Project. This work is included in the contract for the Earthen Dam Rehabilitation and Ancillary Work contract and paid for through the above noted bonding. Since it is being bonded, funding is not included in the CIP budget.

#### Repairs to Round Valley Reservoir Building Structures (Towers and Vaults)

The building structures (towers and vaults) at the Round Valley Reservoir are in need of maintenance. Authority staff believes it is prudent to take advantage of the potential lowered reservoir condition to make repairs to the reservoir building structures, including the underwater portions of the towers.

The Engineer of Record has already made inspections, including underwater portions, of the two towers in the Round Valley Reservoir. The work on the towers will include, but not necessarily be limited to, repairs to the sluice gates, roof replacements, access ladder replacements, and replacement of the existing cranes. This project will also include the purchase of an emergency portable generator to be used with the transfer switches being installed at each vault as part of the Round Valley Reservoir Electrical Upgrades project.

This work is included in the contract for the Earthen Dam Rehabilitation and Ancillary Work contract and paid for through the above noted bonding. Since it is being bonded, funding is not included in the CIP budget.

### **Security Improvements at RV Reservoir**

Staff has identified potential improvements to existing cameras and has recommended the addition of new cameras as the most prudent means of enhancement. The investigation and design for this project is included in the scope for the Engineer of Record on the Round Valley Reservoir Dams-Rehabilitation & Resource Preservation Project. It is anticipated that this work will be paid for from the CIP budget.

### **Security Improvements RV and SR Perimeter Hardening**

Additional security improvements are considered for the RV and SR embankments on a continual basis. Furtherance of the existing perimeter hardening is being considered as part of the next improvements to the existing security. It is anticipated that this work will be completed as part of multiple projects over the next several years.

### **Background Screening of Contractors and Consultants**

The Authority retained a consultant to process personal identity verification and criminal background history checks of individuals who will be accessing restricted areas of Authority property during the rehabilitation projects at the Round Valley Reservoir.

The chosen security consultant is providing the necessary equipment, such as hand held scanners and other associated communications hardware for all access gates at the Round Valley project. This contract started in FY20 and is expected to run while the Earthen Dam Rehabilitation and Ancillary Work contract is ongoing, expected to finish in FY23.

### **New 2-dimensional (2-D) Inundation Mapping for Round Valley and Spruce Run Reservoir**

In 2014 and 2015 the Authority upgraded all of the inundation mapping (attachments to the Emergency Action Plan) for all four of the high hazard dams at the Spruce Run and Round Valley Reservoir Complex in Clinton. This mapping upgrade was done by taking the old inundation model's one dimensional (1-D) data that was originally drawn onto high scale USGS mapping and transferring it into a GIS overlay of modern aerial images. This work produced



maps that were significantly more detailed than the previous mapping and show the location of residential and commercial structures that may be affected by flooding during a dam emergency.

The drawback regarding these upgraded maps is that the inundation areas are still dependent upon the 1-D computational data from 1980. The 1-D mapping is based on empirical calculations using cross-sections taken at large intervals along the rivers. Authority staff believes that it is prudent to invest in a new study where computers model the flows based on 2-D topographic squares in the flood zones. The degree of accuracy of this method far surpasses the existing 1980 1-D studies. Modern deliverables may also include animations as well as color coded mapping layers depicting depth of water in any particular area in a time-sequenced video. It is also possible to better simulate the effect of tidal fluctuations on the inundation area, which was not possible to analyze at the time of the initial models. This work will begin after the ongoing dam rehabilitation work is complete so that the modeling correctly represents the final configuration of the dams.

### **Rehabilitation of the Six-Mile Run Culvert**

The Six-Mile Run Culvert is a 3-barrel historic stone arched culvert that carries the Six-Mile Run under Canal Road, the Canal, and the multi-use trail. The culvert was rehabilitated in the mid-1980s. Stone-faced concrete headwalls were constructed at the inlet and outlet ends of the barrels and minor stone repair was performed inside the culvert barrels. A portion of the stone facing on the downstream headwall dislodged from the concrete substructure during the winter of 2005-2006.

It is noted that the Township of Franklin maintains the road above the culvert. The culvert is considered a bridge by the NJDOT, and thus, biannual inspections are performed by an engineering consultant. Inspection reports are forwarded to the County of Somerset, Township of Franklin, and the Authority.

In March 2018, a sinkhole formed in the roadway above the structure, requiring emergency repairs. The emergency repairs were performed by a consultant and contractor procured by the Authority. This sinkhole suggested that the movement of soils above the stone arches that form the culvert is occurring. The emergency repairs were considered to be temporary. Inspections of the upstream interior of the culvert, located directly beneath Canal Road, have confirmed missing stones and movement of soil.

Additional temporary repairs were performed in the spring of 2019 to limit the loss of stonework in the interior of the culvert by filling with a lightweight concrete. At this time, another sinkhole formed that required filling with lightweight concrete.

An additional sinkhole formed in the same area of the culvert in the summer of 2021, requiring immediate repairs. This sinkhole was filled with concrete as a temporary measure until the large scale rehabilitation can take place.

Engineering services have been procured, and are in the design phase to design repairs to the stonework inside the culverts. The engineering services will address any structural deficiencies

found in the structure to provide for a long term rehabilitation. The temporary repair will be removed and replaced with appropriate historical aesthetics of the stonework. Further, the collapsed stone façade on the downstream headwall will be replaced. The consultant was tasked with designing plans to clean and inspect the culvert, which were bid in FY20. The bids were ultimately determined to not be feasible, and other options for inspecting the culvert, including dye testing, were initiated. Engineering design is expected to be completed in FY22, and construction is expected to take place in FY22 and FY23.

### **Replacement of Fuel Dispenser and Software/Inventory System at Spruce Run Administration Building**

The Spruce Run facilities house the Administration Building, the mechanical shops and a fleet of maintenance and commuting vehicles. The Administration Building was constructed in the early 1960s and includes a gasoline facility that was found leaking, prompting its relocation and reconstruction in 1991. The 1991 project included two double-wall, fiberglass-coated, steel underground storage tanks with a 5,000 gallon capacity for gasoline and a 2,000 gallon capacity for diesel fuel; a fuel dispensing island with computerized pumps; a canopy for weather protection; associated piping and electrical wiring; leak detection; overfill protection; spill prevention; and corrosion protection for both tanks and piping.

The system has generally performed to the Authority's needs, but inspections revealed that the dispenser frames, supplementary connection piping, containment chambers, junction boxes and the fuel island steel curb forms are corroded and have lost most of their structural integrity. The dispensing units are also in poor condition and are discontinued from the current market. The fuel storage and management system requires an upgrade to match newly installed fuel dispensing systems at the Canal Field Office in West Trenton and the Manasquan Water Supply System in Wall Township. It is noted that the most recent tank tightness test results demonstrated that the tanks are in sound condition.

The Authority retained the professional engineering services of a consultant to investigate, design, and provide part-time construction management for the rehabilitation project. The Authority retained the services of a contractor in 2019. The contractor performed a portion of the work, before the tanks' sump pits failed regulatory inspection due to materials and equipment deterioration. The Authority requested design upgrades from the project's Engineer. After the new plans and associated permits were released by the State regulatory agency, the contractor gradually resumed construction activities in 2021. It is expected that the project will be completed in late 2021 (FY22).

### **Replace Office Telephone System Authority Wide**

The Authority telephone system was purchased in 2007 with a serviceable life expectancy of ten years, based on history and the manufacturer's and installer's recommendations. In 2013, the Spruce Run Administration Building phone system was replaced due to a lightning strike. At that time, the service company stated that if the Authority replaced in-kind, it would be installing old technology and repair and replacement parts would be limited. All of the Authority systems are currently operating in analog mode and current technology is digital. By proactively

upgrading the technology, the Authority will gain additional capabilities including voicemail to email; extension dialing between Authority locations; teleconferencing and videoconferencing within the system and dedicated teleconference and videoconference units for each location that will be standardized; and digital recording capability on phones and conference phones.

Facilities personnel will also be able to access and service all systems from one location. Upgrading the systems would necessitate the replacement of all components, including handsets, door phones, and conference phones. Additional and replacement wiring and switching will also be required. Phone system replacement is anticipated for FY22. Investigation is ongoing to ensure there is a redundant communications system in the event of an emergency.

### **Refurbishment of Main Pumps and Motors No. 4, 5, 7, & 8 with Additional Upgrades at the South Branch Pumping Station**

The Authority's South Branch Pumping Station (SBPS) is located in Clinton Township. The primary purpose of the SBPS is to pump up to 350 million gallons per day (MGD) of raw water from the South Branch of the Raritan River to the Round Valley Reservoir as needed to replace depleted storage. The water transfer is accomplished using ten horizontal, centrifugal pumps with 2,000 horsepower motors. Maintenance of the pumps is essential to operations at the SBPS.

The SBPS was built in 1965. In 2009, the Authority procured an engineering consultant to provide professional engineering services to prepare an Asset Management Plan (AMP) for the SBPS, which was completed in 2011. The AMP included inspection, testing, and conditions assessment for major mechanical and electrical systems and identified a need for renewal and replacement of some mechanical and electrical components. Following recommendations of the AMP, the Authority proceeded to retrofit several of the major mechanical and electrical equipment systems. The Authority recently refurbished two of the ten pumps, numbers 1 and 6, as part of a trial and a phased approach to rehabilitate all of the ten pumps, motors, suction piping, and baseplate assemblies. The two refurbished pumps were placed back into service in 2016.

This project represents the second phase of the rehabilitation. An engineering consultant is currently investigating and designing the rehabilitation of four additional pumps, motors, and mountings in the north and south bays of the SBPS, listed as pump Nos. 4, 5, 7, and 8. The project will include fabrication and installation of new baseplates to address alignment issues. It is expected that the consultant will perform an investigation to identify appropriate rehabilitation items, secure needed permits and approvals, and prepare the construction plans and specifications that are necessary to bid the project.

Other miscellaneous pump station system upgrades, including electrical and control upgrades, are anticipated to be addressed in this project as well. These include alarm sensors and systems replacement, computerized monitoring of pump performance, control room improvements, safety upgrades, HVAC upgrades, pump cooling systems, traveling water screen replacements, asset management plan update, force main hydraulic model study, and VFD drive unit study. The replacement of the Force Main surge tank roof and Whitehouse Release structure roof are being

incorporated into this project as well. This project will be comprised of multiple construction projects over the next two years, with the pump rehabilitations occurring first.

### **Replace Boilers at Spruce Run Administration Building**

The four oil-fired boilers in the basement of the Spruce Run Administration Building are nearing the end of their service life and require replacement. These boilers provide the main source of heat for most of the original portion of the Administration Building, although there are currently multiple independent systems elsewhere in the building that provide additional heating. This project requires HVAC engineering analysis, design, and construction code permitting work. The engineer would be tasked with determining the best HVAC solution to replace the four boilers. Possibilities include modern high efficiency boilers, oil fired boilers, natural gas boilers (requiring external gas line extensions), or installation of a system of boilers which could utilize both options. The project would also include the replacement of the hot water heater.

### **Replace Water Storage Tanks in Spruce Run Administration Building Basement**

The two water storage tanks in the Spruce Run Administration Building basement are nearing the end of their service life and need replacement. The tanks act as a buffer/storage for the well water that is pumped from the Administration building's well. Replacement of several doors to the basement is pending and is being added to this contract, since the tanks are very large and require the removal of the doors.

### **Emergency Generator at Spruce Run Administration Building**

The Spruce Run Administration Building's emergency power service is dependent on the operation of a generator that is nearing the end of its service life. The existing generator is in the basement and uses fuel supplied by the building's heating oil underground storage tank. The Authority expects this generator will be replaced with an outdoor unit powered by a cleaner fuel such as propane or natural gas. The project may also involve testing/upgrades or replacement of existing electrical panels and transfer switches. An engineer will be procured who will investigate alternative fuel options, design necessary elements and acquire all required permits.

### **Multidisciplinary engineering project for structures rehabilitation in connection with the Spruce Run reservoir outlet works**

Authority staff has procured a consultant to provide professional engineering services for all of the tasks described below as A through J. The tasks may manifest as more than one construction project.

#### **A. Rehabilitation of the Spruce Run Flow Measuring Weir**

The Spruce Run Flow Measuring Weir is a reinforced concrete structure that crosses the Spruce Run downstream of the Spruce Run Reservoir and upstream from the confluence with the South Branch of the Raritan River. The weir was constructed in the early 1960s with the rest of Spruce Run Dam to provide a pool that functions as a stilling basin for the primary spillway. The

adjoining USGS gauging station on the west bank of the weir measures the total flow of water that is discharging from Spruce Run, including releases through the pipelines and/or overflow at the spillway. Authority staff has been making “patchwork” repairs to the weir over the past decade. However, the concrete structure is deteriorated and spalling or cracking surfaces must be routinely repaired. The consulting engineer has inspected and evaluated the weir and will design repairs, potentially including a bypass sluice gate. It is noted that the structure meets the definition of a dam, and the New Jersey Bureau of Dam Safety has classified the structure as a Class III – Low Hazard dam.

Design plans and specifications are planned for FY22, and construction will likely proceed in FY23 or FY24.

#### B. Spruce Run Primary Overflow Spillway Rehabilitation

The primary spillway is a 550-foot long, 5-foot high reinforced concrete ogee overflow weir located at the west abutment of the dam with a crest at elevation 273.0, which is the normal full operating pool level of the reservoir. In plan, the spillway is a circular arc oriented generally north-south. The spillway was constructed in the early 1960s with the rest of the dam. The spillway was rehabilitated in 1987 to repair longitudinal surface cracks, surface spalling, and transverse joint deterioration along the downstream face. As deterioration of the concrete surface of the spillway continued, including spalling and horizontal cracking, a second rehabilitation was done in the fall of 2004. The rehabilitation work consisted of removing deteriorated concrete from the spillway weir and abutment wall surfaces, and applying gunite to all prepared surfaces. Over time, mild spalling and cracking were observed in the fiber reinforced, gunite overlay. During a recent inspection in March of 2019, more significant concrete/gunite damage was observed at the toe of the ogee. Also, some spalling and cracking has been observed at the bottom of the ogee spillway’s abutment walls. The consulting engineer investigated the concrete structure at the end of 2019 and suggested that a cementitious repair could be done, but it would not necessarily improve the structural integrity of the ogee structure. Therefore, limited temporary repairs could be performed by Authority staff, while a more comprehensive rehabilitation is planned after completion of hydrologic and hydraulic analysis for the dam and spillway, which are currently underway.

#### C. Clearing of Spruce Run Spillway Discharge Channel

The Spruce Run Spillway was cut into the bedrock as part of the original Spruce Run Dam construction. Woody vegetation and trees have grown within the channel bottom and side slopes because the spillway often has low flows or does not flow for long stretches of time and accessibility is difficult. Clearing will enable better observation of existing springs and seeps located within the channel bedrock that may be related to the performance of the dam. Clearing of the spillway is also important in order to allow adequate flow of water during significant spillway flows. As a result, the consultant prepared plans, specifications, and obtained permits to restore the channel to original condition by clearing trees and woody vegetation within 14 acres of the discharge channel. The work is expected to be performed in FY22.

#### D. Replace Fixed Cone Valves at Spruce Run Vault

The Spruce Run Reservoir Vault is fitted with two 30-inch fixed cone valves that serve as the primary release valves from Spruce Run Reservoir. When compared to other valves, the fixed cone valves allow for increased accuracy in release quantities and also offer significant pressure reduction. When the structure was reconstructed in 1982, the original valves that were installed in the early 1960s were relocated to their current position. Authority staff performs annual maintenance on the valves, but corrosion present on the valves is making this maintenance increasingly difficult over time. The fixed cone valves are critical to the operation of the reservoir and are nearing the end of their service life. The consulting engineer has provided preliminary recommendations as part of a draft schematic design report.

#### E. Manual Transfer Switch for Emergency Operation

Reservoir release capabilities depend on uninterrupted power supply for the operation of the tower crane to remove stop logs. Thus, Authority staff recommends adding an emergency backup power source to the reservoir's vault/tower electrical supply system for drawdown equipment operation. As part of the Round Valley Reservoir Dam Rehabilitation and Resource Preservation Project, a consultant has been directed to size an emergency tow-behind portable generator and to design transfer switches at the Round Valley North and South Dam vaults that will feed power to the towers' hoisting equipment. It is anticipated that the consultant will design a manual transfer switch to be installed at the Spruce Run vault that is compatible with the tow-behind portable generator for the current Round Valley project. The consulting engineer has provided preliminary recommendations as part of a draft schematic design report.

#### F. Spruce Run Tower Hoisting Equipment

The existing outlet tower overhead bridge crane is a hand operated geared bridge and trolley type with a motor driven hoist. The bridge is constructed on standard I beams with a hand chain operated drive. The overhead bridge crane is original to the dam construction in the early 1960s. It is still operational, and is used to remove and/or reinstall the stop logs during release operations. However, the unit has developed a minor "travel" over the years, which is sometimes observed during stop-plank hoisting. In addition, it has become difficult to purchase parts for the crane system. The consulting engineer will investigate the existing overhead bridge crane, review the load rating, and recommend a partial or full replacement of an equal or alternate type of crane in compliance with OSHA regulations. The consulting engineer has provided preliminary recommendations as part of a draft schematic design report.

#### G. Spruce Run Tower Sluice Gate Operators

The Spruce Run Tower mechanical system includes two sets of three sluice gates each, which are operated with floor stand operators fabricated by Rodney Hunt Machine Co. The stands are mounted to the floor and are equipped with stem covers with visual indicators that show the position of the gate at all times. The stands are suitable for motor operation and are also equipped with a hand crank for manual operation. Currently, the motor operation is typically performed with the aid of a gasoline powered "donkey" engine. The Authority would like to

improve the mechanical operation of the sluice gates with an electrically actuated system. The consultant will evaluate conditions of the current system and consider use of the existing floor stand operators with compatible electric actuators, or recommend a new, electrically actuated system that reduces operational time and improves labor safety standards. The consulting engineer has provided preliminary recommendations as part of a draft schematic design report.

#### H. Spruce Run Other Ancillary Works

The multidisciplinary project also includes the installation of several other appurtenances: a door on the southern façade of the vault, a hardened access gate adjacent to the vault, OSHA compliant exterior access ladders for the tower and vault, remote reading capability of the vault releases, and new roofs for both the tower and vault. A thorough inspection of the release tower superstructure will also be conducted. The consulting engineer has provided preliminary recommendations as part of a draft schematic design report.

#### I. Reservoir Hydrologic and Hydraulic Modeling

The Spruce Run reservoir was constructed at the former confluence of Spruce Run and Mulhockaway Creek. The reservoir is fed by these two major and several other minor streams, with a total drainage area of 41 square miles. The original Spruce Run hydrologic and hydraulic (H&H) calculations were performed by Whitman, Requardt and Associates in March 1960. The engineer used the available historic stream flow records for streams in the reservoir's watershed and assumed values for others in the absence of data. H&H calculations were performed using empirical formulas to predict passing flows over the reservoir's primary spillway and ogee weir.

The 2017 PFMA report concluded that an updated hydrologic and hydraulic analysis was recommended using current methods. As a result, the consulting engineer is developing hydrologic and hydraulic models that evaluate the capacity of the existing dam and spillway relative to the runoff produced by the Probable Maximum Precipitation (PMP) in compliance with the spillway design storm requirements of the NJDEP Bureau of Dam Safety.

#### J. Rapid Drawdown Planning

The outlet works at Spruce Run reservoir consist of an intake tower and twin pipes leading to a control vault at the downstream toe of the dam. Each of the twin pipes reduce from 84-inch diameter at the intake tower to 60-inch diameter near the control vault and to 48-inch diameter within the vault. The consultant is reviewing the current drawdown operations and computations in order to find ways to expedite the reservoir drawdown process. To this end, the consultant has provided preliminary recommendations as part of a draft schematic design report.

### **Wastegate and Lock Evaluation and Repair – D&R Canal**

The Canal was converted into a water supply source in the 1940s and 1950s. This included conversion of the original locks into flow control structures with sluice gates to regulate the flow. These structures are critical to the operation of the Canal. Numerous wastegates and locks along the D&R Canal need maintenance, rehabilitation or improvements. Most of these structures

were last inspected underwater in 2001. Underwater engineering evaluations are necessary to identify and prioritize the required work. This project will undertake a phased evaluation of the Canal's wastegates and locks based on operational needs and known problems. This project may also include priority repairs.

### **Improvements to Scudders Falls Wastegate Controls**

Scudders Falls is located in Ewing Township at approximate station 821+20 upstream of the Perdicaris wastegate in Trenton. This wastegate, along with the Washington Crossing wastegate, allows the Water Supply Operators (WSO) to divert water back to the Delaware River during heavy rains, before it reaches Trenton. The Scudders Falls gates, controls, and gate house were constructed in the mid-1980s. During power outages, the transfer switch should signal the generator to turn on, which will allow the WSO to operate the gates and maintain the level of the Canal. The transfer switch no longer operates, the controls that operate the gates are old and do not work on one of the gates and the generator needs repair. Staff would like to upgrade the entire electrical/control system at this location.

### **Rehabilitation of the Upper Canal Embankment - Raven Rock to Prallsville**

Four major flood events in the Delaware River have overtopped the Canal embankment between the Raven Rock Lock and Prallsville Lock since September 2004. The Canal embankment in this stretch separates the Canal from the River. It is very narrow and is inaccessible by vehicle, so it is necessary to maintain the embankment by boat, which is challenging. During large flood events, the Canal and the Delaware River water levels are elevated above the embankment and become one body of water. There are several areas in this stretch that experienced heavy deterioration during these events, typically initiated by fallen trees.

The Authority had to implement emergency measures to prevent further erosion of the embankment following Tropical Storms Irene and Lee in 2011. Due to the location and access issues discussed above, all of the work had to be done by hand. Barges were used to supply the materials (riprap and cement bags), and Authority forces placed the materials in the embankment to close the openings. These temporary repairs require replacement with more appropriate materials, both structurally and historically.

An engineering consultant and a cultural resources consultant were retained to design repairs to this section of the embankment. A professional services contract was awarded to a team led by GZA GeoEnvironmental (GZA) as the engineer for the repairs of the embankment. Paulus, Sokolowski, & Sartor (PS&S) was selected as the cultural resource consultant for the project.

Authority staff identified eight primary locations in this reach that required investigation, design and repair. GZA was charged with inspecting the entire embankment from Raven Rock to Prallsville and identifying any other additional locations that should be considered for repair.

A schematic design report identified and prioritized additional areas that warrant repair and these areas have been added to the scope of work. Conceptual approval has been received from the State Historic Preservation Office. The approach to completing these repairs has been further



refined and the Authority is working with the consulting engineer to obtain necessary approvals and develop a final design. Final design is expected in FY22

### **Rehabilitate Flow Control Gate at Back Race at Lambertville**

The back raceway in Lambertville, located approximately at Station 371+00, consists of one manually operated gate and was constructed as a by-pass to the Lambertville Lock. Due to the configuration of the raceway, the Authority uses this gate during the summer months to prevent the water from stagnating and to flush the algae that may accumulate. Further, it can be used to bypass Canal flow in the event it is necessary to work on the lock. The structure's right and left stone masonry wingwalls are undermined and the timber discharge apron is damaged. The structure is in need of rehabilitation to prevent further deterioration.

### **Rehabilitation of Canal Flow Structures**

There are nine flow control structures located along the length of the Canal that were inspected and evaluated by Schnabel Associates in 2001 to assess their condition and determine the required rehabilitation. The structures included Raven Rock Lock, Prallsville Lock, Lambertville Lock, Kingston Lock, Griggstown Lock, Ten Mile Lock, South Bound Brook Lock, Five Mile Lock, and the Waste Gate upcanal from Ten Mile Lock.

Schnabel's evaluation of these structures identified a variety of repairs needed at each site. In addition to the replacement of some flow control gates, the deficiencies range from minor cracking and spalling of the concrete to repair of the structural undermining of the locks. The Authority would also like to upgrade each gate to include an electrically powered operator, this will allow for quicker and safer operation of the gates by Authority personnel.

The Authority plans to phase in gate replacement, operational improvements and structural rehabilitation based on operational priorities and the results of upcoming underwater engineering evaluations.

### **Rehabilitation of the Landing Lane Spillway and Embankment Improvements Downstream of Island Farm Weir**

The Landing Lane Spillway is located immediately upcanal of the Landing Lane Bridge in New Brunswick. This spillway was rehabilitated in 1991 with the construction of a concrete cutoff wall on the Canal side slope to control leakage. Timber planks were installed on the concrete wall for historic reasons. The spillway was finished with hand-placed stones across the crest and the river side slope. The stones were laid in a sand bed without the benefit of mortar. The spillway is deteriorating. The stones are being dislodged and the spillway crest needs to be stabilized. The planned rehabilitation is expected to consider removal of all stones from the crest and installation of a concrete slab as a substructure to the stones that would be reset.

A narrow embankment separates the Canal from the Raritan River just downstream of the Island Farm Weir on the Raritan. The river side slope has experienced significant erosion and is in need of rehabilitation. Continued erosion and deterioration could lead to a breach of the Canal.

Authority staff has procured an engineer and a cultural resource consultant for both projects. It was anticipated that construction of the projects would be procured together, but the designs progressed at different speeds and they have been separated.

The Embankment Improvements Downstream of the Island Farm Weir was bid in summer 2020 and construction finished in the spring of 2021 (FY21). The Landing Lane Spillway Rehabilitation was bid in the spring of 2021 and construction is anticipated to begin in the fall of 2021 (FY22).

### **Repair of Pipe at Whitehead Road**

In 2011, a sinkhole developed in the towpath 1,600 feet up canal from Whitehead Road in Lawrence Township, Mercer County. This location is 3,600 feet down canal of the outlet of the Trenton Conduit. The sinkhole developed as a result of a failed 42 inch reinforced concrete (RC) stormwater pipe that connects to a 48 inch RC pipe which goes under the Canal and the U.S. Route 1 freeway and discharges into the Assumpink Creek. It is noted that the 48 inch pipe replaced a stone masonry culvert under the Canal (same alignment) during construction of the U.S. Route 1 freeway in the early 1950's. The sinkhole caused erosion of the Canal left bank and multi-use trail. Staff filled the sinkhole with 6-inch riprap and regraded the area in 2011, but the sinkhole has been recurrent. As a result, the Authority contacted the NJDOT, which in turn ordered an inspection of the site by their contractor (IEW) in April 2021. No remedial action has been proposed by the NJDOT to this date.

### **Rehabilitation Work at the Washington Crossing Spillway**

The Delaware River Joint Toll Bridge Commission advised the Authority on June 6, 2013 of a small amount of clear seepage coming from its historic stone bridge abutment at the Washington Crossing Bridge. At the time of notification, the Authority had been operating the Canal at raised levels in that vicinity to address a flow problem in the Trenton area. The higher than normal levels of the Canal caused the Washington Crossing spillway, which is directly adjacent to the abutment, to operate (overflow).

Authority staff placed sandbags on the spillway crest to force spillway discharge away from the northern portion of the spillway. This temporary measure is working to eliminate the seepage. Experience from earlier trials has shown that the seepage returns if the sandbags are removed or washed off and flow discharges from the northernmost pipes. Seepage may cause damage to the spillway structure, the bridge tender's house or the bridge abutment as a result of removal of fines by piping or undermining.

Staff is continuing to monitor the situation and to investigate alternatives for controlling the flowing water.

### **Security System and Upgrades –Clinton and Canal**

Several security improvements have been included as part of the large Round Valley Dam Rehabilitation project identified above, such as electrical service improvements and internet communications improvements, which are ongoing. Security monitoring system upgrades will follow the infrastructure upgrades. Other protective measures continue to be considered on an ongoing basis.

### **Rooftop Hydronic Heater for Auto - Spruce Run Admin.**

The 1992 rooftop hydronic heater that serves the Auto Shop at the Spruce Run Administration Building is nearing the end of its service life and should be replaced with a similar unit. Repairs are becoming routine and obtaining parts is growing more difficult.

### **Alexauken Creek Aqueduct**

Paralleling the western side of the Alexauken Creek Aqueduct is the former Belvidere-Delaware Railroad concrete bridge, which passes over the creek, immediately adjacent to the 1940s-era concrete aqueduct trunk. The Aqueduct's historic (circa 1834) northeast, center, and southeast stone abutments were rehabilitated in 1989-1990. Recent inspections revealed that all of the abutments have missing mortar on the lower areas, which are continuously exposed to the water level fluctuation. In addition, the northeast abutment shows vegetation covering the structure on the creek side.

Two Canal leaks were observed at the aqueduct in 2007. The first one was located at the southwest contact of the aqueduct trunk and the stone masonry wall. The second one was observed between the joint of the concrete aqueduct northeast flap wall and the stone masonry abutment. The first leak was addressed with a project engineered in-house, publically bid, and completed in 2009. The second leak was remediated by Canal staff by placement of a clay plug along the affected Canal left bank. There are no leaks to remediate at Alexauken Creek aqueduct at this time but it is anticipated that further repairs will be required to maintain the structure.

### **Rehabilitation of the Wastegate Downstream of Ten Mile Lock**

The wastegate is located at Canal Station 2599+50, approximately 600 feet downstream of the Ten Mile Lock in Franklin Township, Somerset County. The existing non-operational wastegate consists of a wooden gate structure set between guides that are attached to the recessed portion of a concrete inlet headwall. A 60-inch diameter concrete pipe under the multi-use trail was permanently sealed with concrete in June 2014. Currently, the stone masonry outlet headwalls are in a serious state of disrepair. The waste gate's façade and the downstream stone headwall need to be rehabilitated.

### **Rehabilitation of the Spillway Upcanal of the Griggstown Lock**

The spillway up canal of the Griggstown Lock between Station 2060+40 and Station 2064+20 of the Canal in Franklin Township, Somerset County is in poor condition and warrants

rehabilitation. The 380-foot long spillway was built as part of the original Canal construction in the 1830s and is part of the Canal's flood control system into the Millstone River. Engineering services are required in order to inspect the structure, prepare a schematic design, prepare a design of the approved rehabilitation alternative and provide construction management services during the rehabilitation of the structure. A cultural resource consultant is also required to perform a cultural resource investigation for the rehabilitation of the spillway and to provide observation during rehabilitation.

Rehabilitation of the spillway will be scheduled after the dredging program between Kingston and Amwell Road is complete so that the reconstructed spillway does not get damaged during the project. Funding for this project is not included in this five year program.

### **Rehabilitation of D&R Canal Culvert at Canal Station 2550+90 (1 mile upstream of 10-Mile Lock)**

The unnamed culvert at Station 2550+90 is located in Franklin Township, Somerset County, approximately one mile east of the Weston Causeway and ¼ mile east of School House Road. Boswell Underwater Engineering inspected the culvert in September 2007. The inspection identified numerous areas exhibiting missing mortar pointing and stone along both the walls and crown of the structure. Missing stones were also identified on both the upstream and downstream headwalls. The contractor classified the culvert as being in fair condition and recommended repairs be made to the culvert barrel as well as both headwalls. Repairs will be scheduled as needed.

### **Replace Boiler at Canal Field Office**

The boiler at the Canal Field Office (CFO) is the original oil fired boiler from the early 1990s. There have been boiler operational issues every heating season for the past few years. Natural gas lines are now available on Bear Tavern Road, close to the CFO. A gas line will need to be installed from the road into the building. This would also allow abandonment of the existing oil tank (underground storage tank). Converting the heating system to natural gas will have several advantages for the Authority. Modern boilers are more efficient and reduce utility costs.

### **Replace Underground Heating Oil Tank at South Branch Pumping Station**

The existing 10,000 gallon steel underground storage tank (UST) which contains heating oil for the pumping station is approximately 30 years old. EPA/NJDEP regulations require cathodic protection and testing. If replaced with an underground tank, the new tank would likely be a modern double-wall fiberglass reinforced UST. This project would also include the abandonment/removal of the existing steel tank with a contracted licensed LSRP and permitting with the NJDEP. However, the recommendation at this time would be to replace the tank with an above ground storage tank in an alternate location. Above ground tanks are not regulated in the same manner as underground storage tanks because it is much easier to detect corrosion. This would reduce the environmental liability of the Authority in the long term and reduce insurance policy costs.

### **Replace Underground Heating Oil Tank at Spruce Run Administration Building**

The existing 5,000 gallon steel underground storage tank (UST) which contains heating oil for the Spruce Run Administration Building is approximately 30 years old. This tank services the boilers, hot water heater, and the building's emergency generator. EPA/NJDEP regulations require cathodic protection and testing. If replaced with an underground tank, the new tank would likely be a modern, double-wall fiberglass reinforced UST. This project would also include the abandonment/removal of the existing steel tank with a contracted licensed LSRP and permitting with the NJDEP. However, the recommendation at this time would be to replace the tank with an above ground storage tank in an alternate location. Above ground tanks are not regulated in the same manner as underground storage tanks because it is much easier to detect corrosion. This would reduce the environmental liability of the Authority in the long term and reduce insurance policy costs.

### **Replace Gasoline and Diesel Underground Storage Tanks at Spruce Run Administration Building Fuel Island**

The Spruce Run fuel dispensing facility utilizes two existing underground storage tanks (USTs) for gasoline and diesel product. The 5,000 gallon and 2,000 gallon double wall steel fiberglass externally coated USTs contain gasoline and diesel fuel, respectively. The tanks supply fuel for the maintenance equipment and vehicle fleet being used by the Spruce Run Administration Building staff, South Branch Pump Station staff, and Watershed Protection staff. These tanks are approximately 30 years old and were considered for replacement with modern double-wall fiberglass reinforced USTs or possibly with above ground storage tanks in an alternate location adjacent to the fueling island. However, during the construction of the SR fuel dispensers' replacement project, which is currently underway, it was necessary to pump out remnant fuel within the gas and diesel fuel tanks. The operation included a confined space entry in order to swipe and inspect the interior of the tanks. The inspection revealed the tanks to be in sound condition. Thus, replacement of the tanks is not required at this time but the tanks will continue to be monitored.

### **Spruce Run Administration Building Network Data Closet Construction**

The Spruce Run Administration Building is in need of a modern environmentally HVAC-controlled data closet in the basement to isolate the network servers and network switches from high temperatures, dust, and humidity. As the demand for network storage capacity continues to increase exponentially and as more engineering projects are completely reliant upon the transfer of plans, specifications and construction photographs digitally, the need for a dedicated space in the building to accommodate the networking hardware and servers has increased as well. This project will require installation of dedicated HVAC Cooling, installation of HVAC venting, relocation of electrical services, and relocation of network cabling and conduits.

### **Replace Heaters at Langenfelder Maintenance Building**

The two oil-fired hot air heaters at the Langenfelder Maintenance Building are nearing the end of their service life and should be replaced.

### **Rehabilitation of the Trap Rock Quarry Spillway**

The Trap Rock Quarry Spillway between Station 1925+90 and Station 1929+20 of the Canal in Franklin Township, Somerset County, approximately  $\frac{3}{4}$  mile upcanal from Route 518, is in poor condition and warrants rehabilitation. The 330-foot long spillway was built as part of the original Canal construction in the 1830s and is part of the Canal's flood control system into the Millstone River. Engineering services are required in order to inspect the structure, prepare a schematic design, prepare a design of the approved rehabilitation alternative and provide construction management services during the rehabilitation of the structure. A cultural resource consultant is also required to perform an investigation for the rehabilitation of the spillway and to provide observation during rehabilitation. Rehabilitation of the Trap Rock Spillway will be scheduled after the conclusion of the dredging program between Kingston and Amwell Road.

### **Dredging of the Canal between Landing Lane and Route 18**

Approximately 70 percent of water diverted from the Canal is taken by purveyors at the Canal terminus near Route 18 in the City of New Brunswick, Middlesex County. Sediment bars have formed just upstream of the two primary intakes from the Canal wherein the normal Canal operating level is only 18 inches above the sediment level. A decrease in the Canal operating level by more than 12 inches makes it difficult for the water purveyors to divert water. Removal of this accumulation is essential to ensure delivery to these water purveyors.

Removal of the accumulation must be carefully coordinated with the water purveyors in this reach. Development of a program will likely be modeled after the dredging program that is being developed for the Canal reach between Kingston and Amwell Road. Funding for this project is not included in this five year program.

### **Dredging between Lambertville Lock and Trenton**

Sediment was removed from this reach in the mid-1980s. Breach of the embankment at the Workhouse Spillway in 2011 drained the Canal between the Lambertville Lock and the Kingston Lock, exposing sediment that has accumulated since the 1980s. While the Canal was drained, Authority staff removed the most pronounced sediment mounds but was unable to remove all of the mounds. Long-term planning will focus on the removal of sediment from this reach. Funding for this project is not included in this five year program.

### **Dredging between Amwell Road and Ten Mile Lock**

Dredging is currently being performed in a 10.5-mile stretch of the Canal between Kingston and Amwell Road. Flow in the stretch of the Canal between Amwell Road and Ten Mile Lock is also being impeded by the accumulation of sediment. Long term planning will focus on the removal of sediment from this reach. Funding for this project is not included in this five year program.

### **Storage Building at Canal Field Office**

The Authority is considering the construction of a pole barn, or similar type storage building at the CFO facility. The additional space for storage of equipment will allow staff to keep certain equipment out of the elements which can extend the life expectancy of this equipment.

### **Spruce Run Administration Building Tie-In to Public Water Supply**

The Authority is conducting a preliminary study/investigation into the possibility of connecting to the regional municipal public water supply system. There are allocation and supply issues being experienced by the local water company which may delay this process, as well as the potential for water system connection fees. This would allow the Authority to abandon the local administration building supply well and the well to the Annex and the Watershed offices. Funding for this project is not included in this five year program.

### **Storage Building near Spruce Run Annex**

The Authority is considering the construction of a pole barn type structure in the Spruce Run Storage Yard. The need for additional space for storage of equipment and materials has been raised. One benefit of this building would be to provide additional space to keep certain equipment stored out of the elements which would potentially extend the service life of equipment. Funding for this project is not included in this five year program.

### **Construction of a Bedload Stone Trap at the Wickecheoke Creek**

Wickecheoke Creek enters the Canal just upstream of the Prallsville Lock Control Structure on the border of Delaware Township and Stockton Borough in Hunterdon County. Excess flow from the Canal and the Creek are discharged over the Wickecheoke Creek spillway into the Delaware River. Investigations in the early 1990s resulted in a recommendation to construct a bedload stone trap in the creek, upstream of its confluence with the Canal, to improve the ability to remove the bedload without disrupting the flow in the Canal.

The Authority recommends construction of the structure because of the escalating need to remove bedload from the Canal at this location and the difficulty in performing such removal. This project is currently on hold and has been moved to low priority. Funding for this project is not included in this five year program.

### **Cutoff Wall in the Shipetaukin Creek Guard Bank**

The Shipetaukin Creek Guard Bank located in Lawrence Township, Mercer County, was constructed along the western side of the Canal to separate the Canal from the Lawrence Meadows and Shipetaukin Creek. The Guard Bank breached during Hurricane Floyd in September 1999 because of high water levels in Lawrence Meadows. Typically, the water level in the Lawrence Meadows between Province Line Road and the Route 295 Interchange is higher than the water levels in the Delaware and Raritan Canal, so the breach did not cause a loss of Canal water supply.

Leakage is visible through the guard bank from Lawrence Meadows towards the Canal. Currently, the seepage is clear; however, the volume of seepage is getting progressively worse and a program is necessary to control the leakage and prevent piping and a potential failure of the embankment. This section of towpath (multi-use trail) is approximately 7,000 feet long, with most of the leakage occurring in a 3,200-foot long section between Station 1477+00 and Station 1509+00.

The construction of a cutoff wall is planned in this reach of the embankment. The depth of the cutoff wall is expected to range between 8 and 18.5 feet and it will be constructed of either slurry concrete mix or a clay mix. The slurry concrete mix has the advantage of ease of installation, but may cause permit problems.

It will be necessary to retain a consultant to obtain boring information through the guard bank to determine the precise recommended depth of the cutoff wall. Funding for this project is not included in this five year program.

#### **Wickecheoke Creek Gates Abandonment**

Authority staff has been instructed to not operate these wastegates because they have been extensively damaged by wood debris that accumulates in this area during flooding. The gates will need to be abandoned in the future. Funding for this project is not included in this five year program.

#### **Rehabilitation of the Gold Run Spillway**

The Gold Run Spillway is located at Station 955+00, approximately 500 feet upstream of Lower Ferry Road in Ewing Township, Mercer County. The Gold Run Spillway is a concrete structure built in 1913. The concrete spillway box is approximately 98 feet long and 4 feet wide. The elevation of the spillway crest is 56.70 feet.

Fourteen 36-inch diameter concrete pipes handle the flow of water coming through the spillway. The pipes discharge onto a downstream concrete apron that protects the embankment from erosion. The spillway box is leaking and needs to be replaced. Funding for this project is not included in this five year program.

#### **Carnegie Lake Culverts Investigation / Isolation**

There are two submerged culverts located adjacent to Carnegie Lake which the Authority must locate and investigate. Funding for this project is not included in this five year program.

#### **Raven Rock Retaining Wall Downcanal of Lock**

The control structure at Raven Rock Lock is located at Canal station 0+00 at Bull's Island State Park in Delaware Township, Hunterdon County. The concrete lock structure consists of four metal sluice gates and operators. Adjacent and downcanal from the locks there is a stone wall.



Several stones are missing from the wall. Funding for this project is not included in this five year program.

**Refurbishment of Main Pumps and Motors No. 3 & 9**  
**Refurbishment of Main Pumps and Motors No. 2 & 10**

See description above for Refurbishment of Main Pumps and Motors No. 4, 5, 7 & 8. The remaining four pumps would be refurbished in the order stated above. Funding for these projects is not included in this five year program.

**Canal Culvert Rehabilitation 2249+79 (Suydam)**

The culvert near Suydam Road is a single barrel drop style culvert located at Station 2249+79 of the Canal. During the April 2006 inspection, the condition appeared very much the same as its condition in October 2003, when it was dewatered and surveyed. On the inlet side, there are a few stones missing at the base of the inlet structure and there is some shifting of some of the capstones.

On the outlet side, the entire dry-laid headwall has the appearance of being bowed inward. Additional inspection is required to determine the priority of repairs. Funding for this project is not included in this five year program.

**Canal Culvert Rehabilitation 2661+86 (Randolph Brook)**

The Randolph Brook culvert structure consists of three distinct sections. Looking downstream from the inlet, the culvert has a semicircular corrugated steel section that is 63 feet long, 13 feet wide and 8 feet high, which runs beneath Weston Canal Road. The pipe abuts a 6-foot long transition box or access chamber where the alignment of the structure shifts slightly to the left. A double barrel stone arched structure carries the Brook under the Canal into the Raritan River. The barrels measure approximately 139.5 feet long, 5 feet wide and 4.5 feet high.

The culvert was rehabilitated in 1990. The rehabilitation entailed the installation of a sleeve of steel liner plates within the arches of the main culvert barrels. Support for the liner plates was provided by newly poured concrete walls. The outlet headwall and timber apron were restored, preserving their historic appearance. During a recent inspection of County bridge No. H0703, County engineers noticed several pinhole leaks within the stone archway that connects to the left culvert barrel.

Additional inspection is required to determine the priority of repairs. Funding for this project is not included in this five year program.

**Canal Culvert Rehabilitation 2992+34 (Mile Run Culvert)**

The Mile-Run culvert consists of two semi-circular barrels that are approximately 129 feet long, which appear to be founded on natural rock. The culvert conveys Mile-Run Creek under the Canal and discharges into the Raritan River in the City of New Brunswick. The barrels are

approximately 12 feet wide and 6 feet high. The culvert barrels were constructed of stone masonry and at some time, a brick liner was installed in the east barrel and a shotcrete coating was installed in the west barrel.

The culvert was rehabilitated in 1994. The rehabilitation was comprised of the restoration of the headwalls and deteriorated barrels. A structural steel liner was installed in the east barrel, set back 15 feet from the upstream end and 25 feet from the downstream end. The shotcrete liner in the west barrel was patched as needed.

A previous inspection revealed that the east barrel's first 25-foot brick liner section has minor spalls and the remaining metal liner section appears to be in good condition. On the west barrel it was observed that the gunite layer has spalled away at several locations at the mid-length of the barrel, above the footing.

Additional inspection is required to determine the priority of repairs. Funding for this project is not included in this five year program.

### **Concrete Repairs at the Sullivan Way Aqueduct**

The Sullivan Way Aqueduct is located in the City of Trenton, Mercer County. The structure was constructed in the early 1900s and has been waterproofed and patched several times. The superstructure is a concrete encased steel structure constructed to carry the Canal over Sullivan Way. The concrete on the abutments is spalling and needs attention. Funding for this project is not included in this five year program.

### **Rehabilitation of the Four-Mile Spillway**

The Four-Mile Spillway is located in the section of the Canal between Five-Mile Lock and Route 18 in Franklin Township, Somerset County, opposite the Rutgers Preparatory School on Easton Avenue. This 600-foot spillway was rehabilitated in 1999 with the installation of a tremie concrete cutoff wall to eliminate leakage from the Canal. The spillway was finished with hand placed stones across the crest, the river side slope and the Canal side slope of the rehabilitated structure. The stones were laid in a mortar bed with a recess in the pointing finish.

Past flooding events washed away some of the cement from the mortar, leaving the stones sitting in a loose sand bed. The stones have the potential to become dislodged and the spillway crest needs to be stabilized. The planned rehabilitation will be to remove all stone from the crest, pour a concrete slab and rest the stones with ties to the concrete slab, similar to the recently completed rehabilitation of the Colonial Park Spillway. Recent inspections, however, show that the spillway appears stable, with grass growing between the stones. Funding for this project is not included in this five year program.

### **Third Hand Shop Culvert under D&R Canal Cleaning (Partially Clogged)**

This culvert is located at approximate Station 592+00 of the Canal feeder section and consists of an 18-inch clay pipe that crosses under the D&R Canal. The inlet is located on the eastern end of

Route 29 (inbound north). Solids and vegetation may be entering the culvert and partially clogging. An eventual cleanup of the pipe and/or installation of a cage at the inlet end may be recommended.

### **No-Name Culvert Under Canal at Sta. 936+50 Outlet Cleaning (Partially Clogged)**

This culvert crosses under the D&R canal and is located approximately 2600 feet downcanal from Wilburtha Road. The 2019 inspection revealed that the outlet is partially clogged by soil and debris. An inspection of the intake end of the culvert revealed that a big pool has built over time since the exit flow is poor. A cleanup of the culvert's outlet structure is recommended.

### **Pipeline Evaluation – Whitehouse Release Pipeline**

The Round Valley Release Pipeline (RVRP) conveys water from the Round Valley North Vault planned Confluence Pumping Station back to the Reservoir. One pipe section of the 108-inch diameter prestressed concrete cylinder pipe ruptured in 1988 and numerous other sections were found to contain broken prestressing wire that may lead to additional ruptures of the pipe sections. The RVRP was converted into a gravity release pipeline in 1996 with the installation of pressure reducing valves in the North Vault. The reduced pressure design assumes that all the prestressing wire has failed and relies on the strength of the embedded steel cylinder. It was recommended that the pipeline continue to be monitored on a regular basis. The manufacturing and installation dates of the specific pipe sections used in this release line fall within the range of dates when there were faulty materials being manufactured in the industry, resulting in failures of pipelines of similar vintage.

Funding for a more thorough evaluation by an outside consultant is not included in this five year program; however, the Authority continues to conduct scheduled internal inspection of the release piping. Staff will continue its periodic inspection of the pipeline and take action accordingly.

### **Pipeline Evaluation - RV Force Main**

The Round Valley Force Main is a 3.5-mile long 108-inch diameter prestressed concrete cylinder pipe that conveys water from the South Branch Pumping Station (SBPS) to the South Dam Tower at Round Valley Reservoir. The Force Main can also be used for releases from the reservoir to the South Branch Raritan River.

Non-destructive testing of the Force Main was conducted in 1999. The non-destructive testing identified that the majority of the pipe sections were in very good condition. Approximately five percent of the 1,062 pipe sections exhibited anomalous readings that give rise to varying degrees of concern. One section of pipe, pipe section 42, located within the SBPS property, was excavated and further examined externally and internally. The examinations confirmed the results of the non-destructive testing. Instead of instituting a program to immediately replace pipe section 42 and other sections of pipe that were of concern, the Authority embarked on a program to develop a management plan to estimate the anticipated longevity of various pipe sections and prioritize pipe replacement.

Pipe section 42 was replaced in 2005 and was dismantled and tested in January 2006. Pipe section 42 was designed to have a double wrap of pre-stressing wire. The outer level of pre-stressing was missing and the pipe section was considered to be structurally compromised. A stress of a large portion of the prestressing wire was significantly lower than its specified stress as determined by the strain gauge testing. With those structural deficiencies, the pipe was not in a state of incipient failure. Authority staff attempts to perform internal non-destructive pipe inspections that have a high probability of locating pipes in a state of incipient failure.

Funding for a more thorough evaluation by an outside consultant is not included in this five year program; however, the Authority continues to conduct scheduled internal inspections of the force main piping. Staff will continue its periodic inspection of the pipeline and take action accordingly.

**PART III – PROPOSED RULE AMENDMENT**

NEW JERSEY WATER SUPPLY AUTHORITY

**Amendments To The Schedule Of Rates, Charges And  
Debt Service Assessments For The Sale Of Water From  
The Raritan Basin System**

**To Become Effective July 1, 2022**

The following rules and regulations can be found in the New Jersey Administrative Code under N.J.A.C. 7:11-2.1, et seq.

7:11- 2.3 General rate schedule for operations and maintenance

(a)1.-7. (No change.)

8. Any other current costs, expenses or obligations required to be paid by the Authority under the provision of any agreement or instrument relating to bonds, other indebtedness of the Authority or by law. The current sales base of 182.339 million gallons per day has been used in setting the rate listed in (b) below.

(b) General rate schedule for operations and maintenance:

| <u>Period</u>  | <u>Allocation</u> | <u>Rate/Million Gallons</u> |
|--|-------------------|-----------------------------|
| (State fiscal year<br>unless otherwise<br>indicated) |                   |                             |

State fiscal

year [2022] **2023**                      Million Gallons per Day (MGD)                      \$194.00

7:11-2.4 Debt service assessments

(a)    (No change.)

(b)    (No change.)

Period                                      Allocation                                      Rate/Million Gallons

(State fiscal year

unless otherwise

indicated)

State fiscal

year [2022] **2023**                      Million Gallons per Day (MGD)                      \$85.00

7:11- 2.5 Capital Fund Component

(a)-(b) (No change.)

(c) Capital Fund Assessment

Period                                      Allocation                                      Rate/Million Gallons

(State fiscal year

unless otherwise

indicated)

State fiscal

year [2022] **2023**                      Million Gallons per Day (MGD)                      \$33.00

7:11- 2.6 Source Water Protection Fund Component

(a) (No change.)

(b) Source Water Protection Fund Assessment

| <u>Period</u> | <u>Allocation</u> | <u>Rate/Million Gallons</u> |
|---------------|-------------------|-----------------------------|
|---------------|-------------------|-----------------------------|

(State fiscal year

unless otherwise

indicated)

State fiscal

|                         |                               |         |
|-------------------------|-------------------------------|---------|
| year [2022] <b>2023</b> | Million Gallons per Day (MGD) | \$24.00 |
|-------------------------|-------------------------------|---------|

## **APPENDICES**

### **I. Report of Mercadien PC – Allocation of Headquarters General and Administrative Expenses – FY2023**



**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
AGREED-UPON PROCEDURES REPORT**

FORECASTED COST ALLOCATION SCHEDULES

YEAR ENDING JUNE 30, 2023

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

TABLE OF CONTENTS

---

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES..... 1**

**FINANCIAL SCHEDULES**

Schedule of Forecasted Cost Center Expense Reclassification ..... 3

Schedule of Forecasted System-Wide Allocated Costs ..... 4

Schedule of Forecasted Cost Allocation Factors ..... 5

Schedule of Forecasted Manasquan System Allocated Costs ..... 6

Notes to Financial Schedules..... 7

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Commissioners of  
New Jersey Water Supply Authority

We have performed the procedures enumerated below on the financial schedules for the fiscal year ending June 30, 2023. The procedures were agreed to by the New Jersey Water Supply Authority (a component unit of the State of New Jersey and responsible party) (the "Authority") solely to assist the Authority in evaluating the financial schedules in connection with setting of water rates for each of the three operating systems (Raritan, Manasquan Reservoir and Manasquan Treatment Plant/Transmission). The Authority's management is responsible for preparing and presenting the financial schedules in accordance with the guidelines for the presentation of schedules established by the American Institute of Certified Public Accountants.

An agreed-upon procedures engagement involves the practitioner performing specific procedures and reporting on findings based on the procedures performed. The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to assist the Authority with evaluating the underlying supporting documentation to determine the accuracy of the financial schedules in connection with setting water rates for each of the three operating systems. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

1. We were provided with the fiscal year 2023 budgeted expenses for each of the three operating systems by the Authority's Director of Finance and Administration, who advised us that the fiscal year 2023 budgeted expenses are based upon preliminary budgets that are subject to approval by the Authority's Commissioners. We performed no procedures in regard to the fiscal year 2023 budgeted expenses.
2. We recalculated the allocated costs on the forecasted cost allocation schedules. We found no exceptions as a result of these procedures.
3. We compared the methodologies used for cost allocation on the forecasted cost allocation schedules to the methodologies used in the Authority's cost allocation schedules for the year ended June 30, 2021, and found them to be consistent.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review of the subject matter, the objective of which would be the expression of an opinion or conclusion, respectively, about whether the forecasted cost allocation schedules are presenting the schedules in accordance with the guidelines for the presentation of schedules established by the American Institute of Certified Public Accountants. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Commissioners and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

*Merodien, P.C.*  
*Certified Public Accountants*

Hamilton, New Jersey

April 18, 2022

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED COST CENTER EXPENSE RECLASSIFICATION  
YEAR ENDING JUNE 30, 2023**

| DEPT.<br>#    | DEPT./COST CENTER                                | COST<br>CENTER<br>COSTS | RECLASSIFICATIONS         |                        |                           |                |                |              |                               |                    |  | REVISED<br>COST<br>CENTER<br>COSTS |
|---------------|--|-------------------------|---------------------------|------------------------|---------------------------|----------------|----------------|--------------|-------------------------------|--------------------|--|------------------------------------|
|               |  |                         | 1<br>HEATING/<br>ELECTRIC | 2<br>VEHICULAR<br>FUEL | 3<br>PROFESSIONAL<br>FEES | 4<br>INSURANCE | 5<br>TELEPHONE | 6<br>PERMITS | 7<br>WORKERS'<br>COMPENSATION | 8<br>IN LIEU TAXES | 9<br>CHIEF<br>ENGINEER<br>SALARY &<br>FRINGE |                                    |
|               | BUILDING HQ                                      | \$ -                    | \$ 96,250                 | \$ -                   | \$ -                      | \$ -           | \$ -           | \$ -         | \$ -                          | \$ -               | \$ -   | \$ 96,250                          |
|               | TELEPHONE HQ                                     | -                       | -                         | -                      | -                         | 40,000         | -              | -            | -                             | -                  | -  | 40,000                             |
| 36            | SAFETY   | 210,275                 | -                         | -                      | (5,000)                   | -              | -              | -            | -                             | -                  | -  | 205,275                            |
| 37            | SECURITY   | 1,053,950               | -                         | -                      | -                         | -              | -              | -            | -                             | -                  | -  | 1,053,950                          |
| 14            | HUMAN RESOURCES                                  | 340,067                 | -                         | -                      | (5,100)                   | -              | -              | -            | (10,000)                      | -                  | -  | 324,967                            |
| 16            | PURCHASING                                       | 482,680                 | -                         | (120,030)              | -                         | -              | (40,000)       | (18,000)     | -                             | -                  | -  | 304,650                            |
| 17            | INFORMATION SYSTEMS                              | 223,620                 | -                         | -                      | -                         | -              | -              | -            | -                             | -                  | -  | 223,620                            |
| 15            | CONTRACTS & RISK MGMT.                           | 1,815,067               | -                         | -                      | (45,000)                  | (1,303,792)    | -              | (96,100)     | -                             | (18,700)           | -  | 351,475                            |
| 13            | FINANCIAL MGMT.                                  | 1,019,351               | -                         | -                      | (2,730)                   | -              | -              | -            | -                             | -                  | -  | 1,016,621                          |
| 34            | AUTO SHOP  | 267,908                 | -                         | 120,030                | -                         | -              | -              | 18,000       | -                             | -                  | -  | 405,938                            |
| 35            | AUTO SHOP-CANAL                                  | 226,760                 | -                         | -                      | -                         | -              | -              | -            | -                             | -                  | -  | 226,760                            |
| 10            | EXEC. OFFICE                                     | 275,121                 | 4,605                     | -                      | -                         | -              | -              | -            | -                             | -                  | -  | 279,726                            |
| 20, 30, 31-33 | WATERSHED, ENGINEERING & O&M<br>(RARITAN SYSTEM) | 8,815,384               | (100,855)                 | -                      | 57,830                    | 1,303,792      | -              | 96,100       | 10,000                        | 18,700             | (13,268)                                     | 10,187,683                         |
|               |  | 14,730,183              | -                         | -                      | -                         | -              | -              | -            | -                             | -                  | (13,268)                                     | 14,716,915                         |
| 40-60         | MANASQUAN SYSTEM                                 | 5,427,104               | -                         | -                      | -                         | -              | -              | -            | -                             | -                  | 13,268                                       | 5,440,372                          |
|               |  | <u>\$ 20,157,287</u>    | <u>\$ -</u>               | <u>\$ -</u>            | <u>\$ -</u>               | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>  | <u>\$ -</u>                   | <u>\$ -</u>        | <u>\$ -</u>                                  | <u>\$ 20,157,287</u>               |

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED SYSTEM-WIDE ALLOCATED COSTS  
YEAR ENDING JUNE 30, 2023**

| DEPT. #       | DEPT./COST CENTER                                | REVISED<br>COST<br>CENTER<br>COSTS | ALLOCATION BASIS |                    |                   |                         |                   |               |                   |                  |                |                  |                  | ALLOCATED<br>COST<br>CENTER<br>COSTS |                      |  |  |
|---------------|--|------------------------------------|------------------|--------------------|-------------------|-------------------------|-------------------|---------------|-------------------|------------------|----------------|------------------|------------------|--------------------------------------|----------------------|--|--|
|               |  |                                    | # OF<br>SQ. FT.  | # OF<br>TELEPHONES | # OF<br>EMPLOYEES | 100 %<br>RARITAN<br>O&M | # OF<br>EMPLOYEES | # OF<br>P.O.s | # OF<br>COMPUTERS | MGD<br>CONTRACTS | O&M<br>BUDGET  | # OF<br>VEHICLES | # OF<br>VEHICLES |                                      | TIME<br>ESTIMATE     |  |  |
|               | BUILDING HQ                                      | \$ 96,250                          | \$ (96,250)      |                    |                   |                         |                   |               |                   |                  |                |                  |                  |                                      |                      |  |  |
|               | TELEPHONE HQ                                     | 40,000                             | -                | \$ (40,000)        |                   |                         |                   |               |                   |                  |                |                  |                  |                                      |                      |  |  |
| 36            | SAFETY   | 205,275                            | 646              | 430                | \$ (206,351)      |                         |                   |               |                   |                  |                |                  |                  |                                      |                      |  |  |
| 37            | SECURITY   | 1,053,950                          | 3,639            | 1,720              | 16,010            | \$ (1,075,319)          |                   |               |                   |                  |                |                  |                  |                                      |                      |  |  |
| 14            | HUMAN RESOURCES                                  | 324,967                            | 4,305            | 1,290              | 3,558             | -                       | \$ (334,120)      |               |                   |                  |                |                  |                  |                                      |                      |  |  |
| 16            | PURCHASING                                       | 304,650                            | 5,346            | 1,290              | 3,558             | -                       | 6,364             | \$ (321,208)  |                   |                  |                |                  |                  |                                      |                      |  |  |
| 17            | INFORMATION SYSTEMS                              | 223,620                            | 963              | 430                | 1,779             | -                       | 3,182             | 9,413         | \$ (239,387)      |                  |                |                  |                  |                                      |                      |  |  |
| 15            | CONTRACTS & RISK MGMT.                           | 351,475                            | 3,148            | 860                | 3,558             | -                       | 6,364             | 8,588         | 8,255             | \$ (382,248)     |                |                  |                  |                                      |                      |  |  |
| 13            | FINANCIAL MGMT.                                  | 1,016,621                          | 9,186            | 2,581              | 10,673            | -                       | 19,093            | 6,523         | 24,764            | -                | \$ (1,089,441) |                  |                  |                                      |                      |  |  |
| 34            | AUTO SHOP  | 405,938                            | 14,467           | 860                | 3,558             | -                       | 6,364             | 13,955        | 4,127             | -                | 26,737         | \$ (476,006)     |                  |                                      |                      |  |  |
| 35            | AUTO SHOP-CANAL                                  | 226,760                            | -                | 860                | 1,779             | -                       | 3,182             | 9,166         | 4,127             | -                | 14,936         | -                | \$ (260,810)     |                                      |                      |  |  |
| 10            | EXEC. OFFICE                                     | 279,726                            | 12,712           | 3,441              | 1,779             | -                       | 3,182             | 1,321         | 4,127             | -                | 18,424         | -                | -                | \$ (324,712)                         |                      |  |  |
| 20, 30, 31-33 | WATERSHED, ENGINEERING & O&M<br>(RARITAN SYSTEM) | 10,187,683                         | 41,838           | 26,238             | 112,069           | 1,075,319               | 200,472           | 151,273       | 127,949           | 345,418          | 671,013        | 476,006          | 260,810          | 306,853                              | \$ 13,982,941        |  |  |
| 40-60         | MANASQUAN SYSTEM                                 | 5,440,372                          | -                | -                  | 48,030            | -                       | 85,917            | 120,969       | 66,038            | 36,830           | 358,331        | -                | -                | 17,859                               | 6,174,346            |  |  |
|               |  | <u>\$ 20,157,287</u>               | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ -</u>       | <u>\$ -</u>             | <u>\$ -</u>       | <u>\$ -</u>   | <u>\$ -</u>       | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>                          | <u>\$ 20,157,287</u> |  |  |

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED COST ALLOCATION FACTORS  
YEAR ENDING JUNE 30, 2023**

| ALLOCATION OF:    |   | BUILDING HQ   | TELEPHONES      | SAFETY         | HUMAN RESOURCES | PURCHASING   | INFORMATION SYSTEMS | CONTRACTS & RISK MGMT. | FINANCE O&M         | AUTO SHOP     | AUTO SHOP CANAL | EXEC. OFF       |
|-------------------|---|---------------|-----------------|----------------|-----------------|--------------|---------------------|------------------------|---------------------|---------------|-----------------|-----------------|
| ALLOCATION BASIS: |   | # OF SQ. FT.  | # OF TELEPHONES | # OF EMPLOYEES | # OF EMPLOYEES  | # OF P.O.'S  | # OF COMPUTERS      | MGD CONTRACTS          | FUNCTIONAL COST     | # OF VEHICLES | # OF VEHICLES   | TIME ESTIMATE   |
| DEPT. #           | DEPT./COST CENTER                             |               |                 |                |                 |              |                     |                        |                     |               |                 |                 |
|                   | BUILDING HQ                                   |               |                 |                |                 |              |                     |                        |                     |               |                 |                 |
|                   | TELEPHONE HQ                                  |               |                 |                |                 |              |                     |                        |                     |               |                 |                 |
| 36                | SAFETY  | 100           | 1               |                |                 |              |                     |                        |                     |               |                 |                 |
| 37                | SECURITY                                      | 563           | 4               | 9              |                 |              |                     |                        |                     |               |                 |                 |
| 14                | HUMAN RESOURCES                               | 666           | 3               | 2              |                 |              |                     |                        |                     |               |                 |                 |
| 16                | PURCHASING                                    | 827           | 3               | 2              | 2               |              |                     |                        |                     |               |                 |                 |
| 17                | INFORMATION SYSTEMS                           | 149           | 1               | 1              | 1               | 114          |                     |                        |                     |               |                 |                 |
| 15                | CONTRACTS & RISK MGMT.                        | 487           | 2               | 2              | 2               | 104          | 2                   |                        |                     |               |                 |                 |
| 13                | FINANCIAL MGMT.                               | 1,421         | 6               | 6              | 6               | 79           | 6                   | -                      |                     |               |                 |                 |
| 34                | AUTO SHOP                                     | 2,238         | 2               | 2              | 2               | 169          | 1                   | -                      | \$405,938           |               |                 |                 |
| 35                | AUTO SHOP-CANAL                               | -             | 2               | 1              | 1               | 111          | 1                   | -                      | 226,760             |               |                 |                 |
| 10                | EXEC OFFICE                                   | 1,967         | 8               | 1              | 1               | 16           | 1                   | -                      | 279,726             |               |                 |                 |
| 20, 30, 31-33     | WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM) | 6,472         | 61              | 63             | 63              | 1,832        | 31                  | 182                    | 10,187,683          | 44            | 44              | 94.50           |
| 40-60             | MANASQUAN SYSTEM                              | -             | -               | 27             | 27              | 1,465        | 16                  | 19                     | 5,440,372           | -             | -               | 5.50            |
|                   |   | <u>14,890</u> | <u>93</u>       | <u>116</u>     | <u>105</u>      | <u>3,890</u> | <u>58</u>           | <u>202</u>             | <u>\$16,540,479</u> | <u>44</u>     | <u>44</u>       | <u>100.00 %</u> |

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED MANASQUAN SYSTEM ALLOCATED COSTS  
YEAR ENDING JUNE 30, 2023**

|                                     | COSTS               | ALLOCATION BASIS |                           |                            |                 |                                 | ALLOCATED COSTS     |
|-------------------------------------|---------------------|------------------|---------------------------|----------------------------|-----------------|---------------------------------|---------------------|
|                                     |                     | 1<br>TIME STUDY  | 2<br>\$ VALUE OF VEHICLES | 3<br>\$ VALUE OF EQUIPMENT | 4<br>TIME STUDY | 5<br>\$VALUE OF WATER CONTRACTS |                     |
| <u>GENERAL &amp; ADMINISTRATIVE</u> |                     |                  |                           |                            |                 |                                 |                     |
| SALARIES & FRINGES                  | \$ 3,144,050        | \$ (3,144,050)   |                           |                            |                 |                                 |                     |
| VEHICLE RELATED                     | 107,450             | -                | \$ (107,450)              |                            |                 |                                 |                     |
| MAINT. SUPPLIES & RELATED           | 73,752              | -                | -                         | \$ (73,752)                |                 |                                 |                     |
| OFFICE & MISC.                      | 53,100              | -                | -                         | -                          | \$ (53,100)     |                                 |                     |
| H.Q. OVERHEAD                       | 747,244             | -                | -                         | -                          | -               | \$ (747,244)                    |                     |
| RESERVOIR (40)                      | 1,157,613           | 1,521,884        | 77,740                    | 37,636                     | 25,703          | 644,647                         | \$ 3,465,223        |
| TREAT./TRANS. (50)                  | 891,139             | 1,622,166        | 29,710                    | 36,116                     | 27,397          | 102,597                         | 2,709,125           |
|                                     | <u>\$ 6,174,348</u> | <u>\$ -</u>      | <u>\$ -</u>               | <u>\$ -</u>                | <u>\$ -</u>     | <u>\$ -</u>                     | <u>\$ 6,174,348</u> |



**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES  
YEAR ENDING JUNE 30, 2023**

---

**NOTE 1 GENERAL**

The New Jersey Water Supply Authority, as part of its annual budget and rate making process, performs a two-step cost allocation calculation. During the first step, the Authority forecasts its actual expenses by Cost Center. For purposes of this calculation the Authority uses the following Cost Centers:

Raritan System

- Building Headquarters
- Telephone Headquarters
- Safety
- Security
- Human Resources
- Purchasing
- Information Systems
- Contracts & Risk Management
- Financial Management
- Auto Shop
- Auto Shop - Canal
- Executive Office
- Engineering, Watershed Management, Operations and Maintenance (Raritan System)
- Manasquan System

In deriving expenses by Cost Center several expense reclassifications are made on the Schedule of Forecasted Cost Center Expense Reclassification as follows:

1. Heating and electricity expenses related to Building Headquarters ("HQ") and Executive Office are reclassified from Engineering and Operations & Maintenance ("O & M").
2. Vehicular fuel expense related to Auto Shop is reclassified from Purchasing.
3. Professional fees related to O & M are reclassified from the various departments to which they have been charged.
4. Insurance premium expense related to the Raritan System is reclassified from Contracts and Risk Management.
5. Telephone expense is reclassified from Purchasing to a separate Telephone HQ Cost Center.
6. Permit expense related to the Raritan System is reclassified from Contracts and Risk Management and Purchasing.
7. Workers' compensation expense related to the Raritan System is reclassified from Contracts and Risk Management.
8. In-lieu taxes related to the Raritan System are reclassified from Contracts and Risk Management.
9. Chief Engineer Salary & Fringe Expenses related to the Manasquan System are reclassified from the Engineering Department.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES  
YEAR ENDING JUNE 30, 2023**

---

**NOTE 1      GENERAL (CONTINUED)**

The second step entails a step-down allocation of eleven of the Authority's Cost Centers to the Raritan and Manasquan System Cost Centers. In making this step-down allocation the Authority allocates costs as follows:

1. Building HQ is allocated to each of the Cost Centers based on the amount of space utilized.
2. Telephone HQ is allocated to each of the Cost Centers based on the number of telephones utilized.
3. Safety is allocated to each of the Cost Centers based on the number of employees.
4. Security is allocated entirely to the Raritan System.
5. Human Resources is allocated to each of the Cost Centers based on the number of employees.
6. Purchasing is allocated to each of the respective Cost Centers based on the number of purchase orders issued.
7. Information Systems is allocated to each of the Cost Centers based on the number of computers.
8. Contracts and Risk Management is allocated to each of the Cost Centers based on the number of employees.
9. Financial Management is allocated based on a percentage of the four remaining Cost Centers' budgets.
10. Auto Shop and Auto Shop-Canal are allocated based on the number of vehicles used.
11. Executive Office is allocated based on the amount of executive time utilized in managing each of the Systems.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES  
YEAR ENDING JUNE 30, 2023**

---

**NOTE 2      MANASQUAN SYSTEM ALLOCATED COST**

The Manasquan Water Supply System's direct and allocated costs are then allocated between the Reservoir System and the Water Treatment Plant/Transmission System. In making this allocation the Authority adds to each System's direct expenses, the indirect costs allocated as follows:

1. Salaries and Fringe Benefits are allocated based on actual time studies performed by each employee throughout Fiscal Year 2021.
2. Vehicle related expenses are allocated based on the dollar value of vehicles held by each System.
3. Maintenance Supplies and related expenses are allocated based on the dollar value of capital equipment held by each System.
4. Office and miscellaneous expenses are allocated based on the time studies performed by each employee throughout Fiscal Year 2021.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.

**II. Report of Mercadien PC – Allocation of Headquarters General and Administrative Expenses – Audited FY2021 Expenditures**

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**EXAMINATION REPORT AND FINANCIAL SCHEDULES**

June 30, 2021

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

TABLE OF CONTENTS

---

**INDEPENDENT ACCOUNTANTS' REPORT** ..... 1

**FINANCIAL SCHEDULES**

SCHEDULE OF COST CENTER EXPENSE RECLASSIFICATION..... 2

SCHEDULE OF SYSTEM-WIDE ALLOCATED COSTS..... 3

SCHEDULE OF COST ALLOCATION FACTORS..... 4

SCHEDULE OF MANASQUAN SYSTEM ALLOCATED COSTS..... 5

NOTES TO FINANCIAL SCHEDULES..... 6

## INDEPENDENT ACCOUNTANTS' REPORT

To the Commissioners of  
New Jersey Water Supply Authority

We have examined the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2, of New Jersey Water Supply Authority (a component unit of the State of New Jersey and responsible party) (the "Authority"), for the year ended June 30, 2021, listed in the foregoing table of contents. The Authority's management is responsible for conformity of the financial schedules in accordance with the criteria set forth in Notes 1 and 2. Our responsibility is to express an opinion on the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and, accordingly, included procedures we considered necessary in the circumstances. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the financial schedules are in conformity with the cost allocation criteria set forth in Notes 1 and 2, in all material respects. An examination involves performing procedures to obtain evidence about the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement on the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our examination agreement.

In our opinion, the financial schedules present the Authority's allocation of costs to the Raritan and Manasquan Systems in accordance with the cost allocation criteria set forth in Notes 1 and 2, in all material respects.

This report is intended for the information and use of the Commissioners and management of the Authority, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Mercadien, P.C.*  
*Certified Public Accountants*

April 18, 2022

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF COST CENTER EXPENSE RECLASSIFICATION  
YEAR ENDED JUNE 30, 2021**

| DEPT.<br>#         | DEPT./COST CENTER                                | COST<br>CENTER<br>COSTS | RECLASSIFICATIONS         |                        |                           |                |                |              |                        |                    |  | REVISED<br>COST<br>CENTER<br>COSTS |                      |
|--------------------|--|-------------------------|---------------------------|------------------------|---------------------------|----------------|----------------|--------------|------------------------|--------------------|--|------------------------------------|----------------------|
|                    |  |                         | 1<br>HEATING/<br>ELECTRIC | 2<br>VEHICULAR<br>FUEL | 3<br>PROFESSIONAL<br>FEES | 4<br>INSURANCE | 5<br>TELEPHONE | 6<br>PERMITS | 7<br>WORKERS'<br>COMP. | 8<br>IN LIEU TAXES | 9<br>CHIEF<br>ENGINEER<br>SALARY &<br>FRINGE |                                    |                      |
|                    | BUILDING HQ                                      | \$ -                    | \$ 56,086                 | \$ -                   | \$ -                      | \$ -           | \$ -           | \$ -         | \$ -                   | \$ -               | \$ -   | \$ -                               | \$ 56,086            |
|                    | TELEPHONE HQ                                     | -                       | -                         | -                      | -                         | -              | 48,967         | -            | -                      | -                  | -  | -                                  | 48,967               |
| 36                 | SAFETY   | 121,120                 | -                         | -                      | -                         | -              | -              | -            | -                      | -                  | -  | -                                  | 121,120              |
| 37                 | SECURITY   | 728,962                 | -                         | -                      | -                         | -              | -              | -            | -                      | -                  | -  | -                                  | 728,962              |
| 14                 | HUMAN RESOURCES                                  | 205,561                 | -                         | -                      | (4,008)                   | -              | -              | -            | -                      | -                  | -  | -                                  | 201,553              |
| 16                 | PURCHASING                                       | 387,418                 | -                         | (77,029)               | -                         | -              | (48,967)       | (19,107)     | -                      | -                  | -  | -                                  | 242,315              |
| 17                 | INFORMATION SYSTEMS                              | 149,154                 | -                         | -                      | -                         | -              | -              | -            | -                      | -                  | -  | -                                  | 149,154              |
| 15                 | CONTRACTS & RISK MGMT.                           | 1,545,377               | -                         | -                      | (24,940)                  | (1,265,817)    | -              | (93,058)     | -                      | (18,689)           | -  | -                                  | 142,873              |
| 13                 | FINANCIAL MGMT                                   | 689,068                 | -                         | -                      | (2,286)                   | -              | -              | -            | -                      | -                  | -  | -                                  | 686,782              |
| 34                 | AUTO SHOP  | 168,819                 | -                         | 77,029                 | -                         | -              | -              | 19,107       | -                      | -                  | -  | -                                  | 264,955              |
| 35                 | AUTO SHOP-CANAL                                  | 156,654                 | -                         | -                      | -                         | -              | -              | -            | -                      | -                  | -  | -                                  | 156,654              |
| 10                 | EXEC OFFICE                                      | 203,000                 | 5,116                     | -                      | -                         | -              | -              | -            | -                      | -                  | -  | -                                  | 208,116              |
| 20, 30, 31, 32, 33 | WATERSHED, ENGINEERING & O&M<br>(RARITAN SYSTEM) | 5,015,046               | (61,202)                  | -                      | 31,234                    | 1,265,817      | -              | 93,058       | -                      | 18,689             | (12,881)                                     | -                                  | 6,349,761            |
|                    |  | 9,370,179               | -                         | -                      | -                         | -              | -              | -            | -                      | -                  | (12,881)                                     | -                                  | 9,357,298            |
| 40-60              | MANASQUAN SYSTEM                                 | 3,635,978               | -                         | -                      | -                         | -              | -              | -            | -                      | -                  | 12,881                                       | -                                  | 3,648,859            |
|                    |  | <u>\$ 13,006,157</u>    | <u>\$ -</u>               | <u>\$ -</u>            | <u>\$ -</u>               | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>  | <u>\$ -</u>            | <u>\$ -</u>        | <u>\$ -</u>                                  | <u>\$ -</u>                        | <u>\$ 13,006,157</u> |

See Independent Accountants' Report.



**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF SYSTEM-WIDE ALLOCATED COSTS  
YEAR ENDED JUNE 30, 2021**

| DEPT. #            | DEPT./COST CENTER                                | REVISED<br>COST<br>CENTER<br>COSTS | ALLOCATION BASIS |                    |                   |                         |                   |               |                   |                  |               |                  |                  | ALLOCATED<br>COST<br>CENTER<br>COSTS |                  |  |
|--------------------|--|------------------------------------|------------------|--------------------|-------------------|-------------------------|-------------------|---------------|-------------------|------------------|---------------|------------------|------------------|--------------------------------------|------------------|--|
|                    |  |                                    | #<br>SQ. FT.     | # OF<br>TELEPHONES | # OF<br>EMPLOYEES | 100 %<br>RARITAN<br>O&M | # OF<br>EMPLOYEES | # OF<br>P.O.s | # OF<br>COMPUTERS | MGD<br>CONTRACTS | O&M<br>BUDGET | # OF<br>VEHICLES | # OF<br>VEHICLES |                                      | TIME<br>ESTIMATE |  |
|                    | BUILDING HQ                                      | \$ 56,086                          | \$ (56,086)      |                    |                   |                         |                   |               |                   |                  |               |                  |                  |                                      |                  |  |
|                    | TELEPHONE HQ                                     | 48,967                             | -                | \$ (48,967)        |                   |                         |                   |               |                   |                  |               |                  |                  |                                      |                  |  |
| 36                 | SAFETY   | 121,120                            | 377              | 527                | \$ (122,024)      |                         |                   |               |                   |                  |               |                  |                  |                                      |                  |  |
| 37                 | SECURITY   | 728,962                            | 2,121            | 2,106              | 9,467             | \$ (742,656)            |                   |               |                   |                  |               |                  |                  |                                      |                  |  |
| 14                 | HUMAN RESOURCES                                  | 201,553                            | 2,509            | 1,580              | 2,104             | -                       | \$ (207,746)      |               |                   |                  |               |                  |                  |                                      |                  |  |
| 16                 | PURCHASING                                       | 242,315                            | 3,115            | 1,580              | 2,104             | -                       | 3,957             | \$ (253,071)  |                   |                  |               |                  |                  |                                      |                  |  |
| 17                 | INFORMATION SYSTEMS                              | 149,154                            | 561              | 527                | 1,052             | -                       | 1,979             | 7,416         | \$ (160,689)      |                  |               |                  |                  |                                      |                  |  |
| 15                 | CONTRACTS & RISK MGMT.                           | 142,873                            | 1,834            | 1,053              | 2,104             | -                       | 3,957             | 6,766         | 5,541             | \$ (164,128)     |               |                  |                  |                                      |                  |  |
| 13                 | FINANCIAL MGMT                                   | 686,782                            | 5,353            | 3,159              | 6,312             | -                       | 11,871            | 5,139         | 16,623            | -                | \$ (735,239)  |                  |                  |                                      |                  |  |
| 34                 | AUTO SHOP  | 264,955                            | 8,430            | 1,053              | 2,104             | -                       | 3,957             | 10,995        | 2,771             | -                | 18,329        | \$ (312,594)     |                  |                                      |                  |  |
| 35                 | AUTO SHOP-CANAL                                  | 156,654                            | -                | 1,053              | 1,052             | -                       | 1,979             | 7,221         | 2,771             | -                | 10,837        | -                | \$ (181,567)     |                                      |                  |  |
| 10                 | EXEC OFFICE                                      | 208,116                            | 7,407            | 4,212              | 1,052             | -                       | 1,979             | 1,041         | 2,771             | -                | 14,397        | -                | -                | \$ (240,975)                         |                  |  |
| 20, 30, 31, 32, 33 | WATERSHED, ENGINEERING & O&M<br>(RARITAN SYSTEM) | 6,349,761                          | 24,379           | 32,117             | 66,271            | 742,656                 | 124,647           | 119,185       | 85,884            | 148,313          | 439,258       | 312,594          | 181,567          | 227,721                              | \$ 8,854,353     |  |
| 40-60              | MANASQUAN SYSTEM                                 | 3,648,859                          | -                | -                  | 28,402            | -                       | 53,420            | 95,308        | 44,328            | 15,815           | 252,418       | -                | -                | 13,254                               | 4,151,804        |  |
|                    |  | \$ 13,006,157                      | \$ -             | \$ -               | \$ -              | \$ -                    | \$ -              | \$ -          | \$ -              | \$ -             | \$ -          | \$ -             | \$ -             | \$ -                                 | \$ 13,006,157    |  |

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF COST ALLOCATION FACTORS  
YEAR ENDED JUNE 30, 2021**

|                    |   | REQUIRED STATISTICS |                |                 |             |                     |               |                 |                     |                 |               |              |
|--------------------|---|---------------------|----------------|-----------------|-------------|---------------------|---------------|-----------------|---------------------|-----------------|---------------|--------------|
| ALLOCATION OF:     | BUILDING HQ                                   | TELEPHONES          | SAFETY         | HUMAN RESOURCES | PURCHASING  | INFORMATION SYSTEMS | RISK MGMT.    | FINANCE O&M     | AUTO SHOP           | AUTO SHOP CANAL | EXEC. OFF     |              |
| ALLOCATION BASIS:  | SQ. FT. #                                     | # OF TELEPHONES     | # OF EMPLOYEES | # OF EMPLOYEES  | # OF P.O.'S | # OF COMPUTERS      | MGD CONTRACTS | FUNCTIONAL COST | # OF VEHICLES       | # OF VEHICLES   | TIME ESTIMATE |              |
| DEPT. #            | DEPT./COST CENTER                             |                     |                |                 |             |                     |               |                 |                     |                 |               |              |
|                    | BUILDING HQ                                   |                     |                |                 |             |                     |               |                 |                     |                 |               |              |
|                    | TELEPHONE HQ                                  |                     |                |                 |             |                     |               |                 |                     |                 |               |              |
| 36                 | SAFETY  | 100                 | 1              |                 |             |                     |               |                 |                     |                 |               |              |
| 37                 | SECURITY                                      | 563                 | 4              | 9               |             |                     |               |                 |                     |                 |               |              |
| 14                 | HUMAN RESOURCES                               | 666                 | 3              | 2               |             |                     |               |                 |                     |                 |               |              |
| 16                 | PURCHASING                                    | 827                 | 3              | 2               | 2           |                     |               |                 |                     |                 |               |              |
| 17                 | INFORMATION SYSTEMS                           | 149                 | 1              | 1               | 1           | 114                 |               |                 |                     |                 |               |              |
| 15                 | CONTRACTS & RISK MGMT.                        | 487                 | 2              | 2               | 2           | 104                 | 2             |                 |                     |                 |               |              |
| 13                 | FINANCIAL MGMT                                | 1,421               | 6              | 6               | 6           | 79                  | 6             | -               |                     |                 |               |              |
| 34                 | AUTO SHOP                                     | 2,238               | 2              | 2               | 2           | 169                 | 1             | -               | \$264,955           |                 |               |              |
| 35                 | AUTO SHOP-CANAL                               | -                   | 2              | 1               | 1           | 111                 | 1             | -               | 156,654             |                 |               |              |
| 10                 | EXEC OFFICE                                   | 1,967               | 8              | 1               | 1           | 16                  | 1             | -               | 208,116             |                 |               |              |
| 20, 30, 31, 32, 33 | WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM) | 6,472               | 61             | 63              | 63          | 1,832               | 31            | 182             | 6,349,761           | 44              | 44            | 94.50        |
| 40-60              | MANASQUAN SYSTEM                              | -                   | -              | 27              | 27          | 1,465               | 16            | 19              | 3,648,859           | -               | -             | 5.50         |
|                    |   | <u>14,890</u>       | <u>93</u>      | <u>116</u>      | <u>105</u>  | <u>3,890</u>        | <u>58</u>     | <u>202</u>      | <u>\$10,628,345</u> | <u>44</u>       | <u>44</u>     | <u>100 %</u> |

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF MANASQUAN SYSTEM ALLOCATED COSTS  
YEAR ENDED JUNE 30, 2021**

|                                     | COSTS               | ALLOCATION BASIS      |                              |                               |                    |                                       | ALLOCATED COSTS     |
|-------------------------------------|---------------------|-----------------------|------------------------------|-------------------------------|--------------------|---------------------------------------|---------------------|
|                                     |                     | 1<br>TIME<br>STUDY    | 2<br>\$ VALUE<br>OF VEHICLES | 3<br>\$ VALUE OF<br>EQUIPMENT | 4<br>TIME<br>STUDY | 5<br>\$VALUE OF<br>WATER<br>CONTRACTS |                     |
| <u>GENERAL &amp; ADMINISTRATIVE</u> |                     |                       |                              |                               |                    |                                       |                     |
| SALARIES & FRINGES                  | \$ 1,908,160        | <u>\$ (1,908,160)</u> |                              |                               |                    |                                       |                     |
| VEHICLE RELATED                     | 82,752              | -                     | <u>\$ (82,752)</u>           |                               |                    |                                       |                     |
| MAINT. SUPPLIES & RELATED           | 48,168              | -                     | -                            | <u>\$ (48,168)</u>            |                    |                                       |                     |
| OFFICE & MISC.                      | 27,713              | -                     | -                            | -                             | <u>\$ (27,713)</u> |                                       |                     |
| H.Q. OVERHEAD                       | 515,826             | -                     | -                            | -                             | -                  | <u>\$ (515,826)</u>                   |                     |
| RESERVOIR                           | 846,229             | 1,007,230             | 59,871                       | 24,580                        | 14,628             | 444,991                               | \$ 2,397,529        |
| TREAT./TRANS.                       | 722,957             | 900,930               | 22,881                       | 23,588                        | 13,085             | 70,835                                | 1,754,276           |
|                                     | <u>\$ 4,151,805</u> | <u>\$ -</u>           | <u>\$ -</u>                  | <u>\$ -</u>                   | <u>\$ -</u>        | <u>\$ -</u>                           | <u>\$ 4,151,805</u> |

See Independent Accountants' Report.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES  
YEAR ENDED JUNE 30, 2021**

---

**NOTE 1 GENERAL**

The New Jersey Water Supply Authority, as part of its annual budget and rate making process, performs a two-step cost allocation calculation. During the first step, the Authority forecasts its actual expenses by Cost Center. For purposes of this calculation the Authority uses the following Cost Centers:

Raritan System

- Building Headquarters
- Telephone Headquarters
- Safety
- Security
- Human Resources
- Purchasing
- Information Systems
- Contracts & Risk Management
- Financial Management
- Auto Shop
- Auto Shop - Canal
- Executive Office
- Engineering, Watershed Management, Operations and Maintenance (Raritan System)
- Manasquan System

In deriving expenses by Cost Center several expense reclassifications are made on the Schedule of Forecasted Cost Center Expense Reclassification as follows:

1. Heating and electricity expenses related to Building Headquarters ("HQ") and Executive Office are reclassified from Engineering and Operations & Maintenance ("O & M").
2. Vehicular fuel expense related to Auto Shop is reclassified from Purchasing.
3. Professional fees related to O & M are reclassified from the various departments to which they have been charged.
4. Insurance premium expense related to the Raritan System is reclassified from Contracts and Risk Management.
5. Telephone expense is reclassified from Purchasing to a separate Telephone HQ Cost Center.
6. Permit expense related to the Raritan System is reclassified from Contracts and Risk Management and Purchasing.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

NOTES TO FINANCIAL SCHEDULES  
YEAR ENDED JUNE 30, 2021

---

**NOTE 1 GENERAL (CONTINUED)**

7. Workers' compensation expense related to the Raritan System is reclassified from Contracts and Risk Management.
8. In-lieu taxes related to the Raritan System are reclassified from Contracts and Risk Management.
9. Chief Engineer Salary & Fringe Expenses related to the Manasquan System are reclassified from the Engineering Department.

The second step entails a step-down allocation of eleven of the Authority's Cost Centers to the Raritan and Manasquan System Cost Centers. In making this step-down allocation the Authority allocates cost as follows:

1. Building HQ is allocated to each of the Cost Centers based on the amount of space utilized.
2. Telephone HQ is allocated to each of the Cost Centers based on the number of telephones utilized.
3. Safety is allocated to each of the Cost Centers based on the number of employees.
4. Security is allocated entirely to the Raritan System.
5. Human Resources is allocated to each of the Cost Centers based on the number of employees.
6. Purchasing is allocated to each of the respective Cost Centers based on the number of purchase orders issued.
7. Information Systems is allocated to each of the Cost Centers based on the number of computers.
8. Contracts and Risk Management is allocated to each of the Cost Centers based on the number of employees.
9. Financial Management is allocated based on a percentage of the four remaining Cost Centers' budgets.
10. Auto Shop and Auto Shop-Canal are allocated based on the number of vehicles used.
11. Executive Office is allocated based on the amount of executive time utilized in managing each of the Systems.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

NOTES TO FINANCIAL SCHEDULES  
YEAR ENDED JUNE 30, 2021

---

**NOTE 2 MANASQUAN SYSTEM ALLOCATED COST**

The Manasquan Water Supply System's direct and allocated costs are then allocated between the Reservoir System and the Water Treatment Plant/Transmission System. In making this allocation the Authority adds to each System's direct expenses, the indirect costs allocated as follows:

1. Salaries and Fringe Benefits are allocated based on actual time studies performed by each employee throughout Fiscal Year 2021.
2. Vehicle related expenses are allocated based on the dollar value of vehicles held by each System.
3. Maintenance Supplies and related expenses are allocated based on the dollar value of capital equipment held by each System.
4. Office and miscellaneous expenses are allocated based on the time studies performed by each employee throughout Fiscal Year 2021.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.

# Advertisement and Certification

## Exhibit C



## NEW JERSEY WATER SUPPLY AUTHORITY

P.O. BOX 5196 • CLINTON, N.J. 08809 • (908) 638-6121 • (908) 638-5961 (FAX)

### PROOFS OF PUBLICATION - CERTIFICATION

#### NEW JERSEY WATER SUPPLY AUTHORITY

#### PUBLIC HEARING

FRIDAY, FEBRUARY 4, 2022

ON PROPOSED AMENDMENTS TO THE  
SCHEDULE OF RATES, CHARGES AND DEBT SERVICE ASSESSMENTS  
FOR THE SALE OF WATER  
FROM THE  
RARITAN BASIN SYSTEM

TO BECOME EFFECTIVE JULY 1, 2022

THIS IS TO CERTIFY that the attached notice of public hearing in the above matter was mailed to the Secretary of State, the Division of the Ratepayer Advocate, the news media maintaining a press office at the State House Complex, the Board of Public Utilities and the Authority's Contractual Water Purchasers on December 16, 2021. Notice was also advertised in the following newspapers:

|                           |                   |
|---------------------------|-------------------|
| Hunterdon County Democrat | December 16, 2021 |
| The Star-Ledger           | December 16, 2021 |
| The Times (Trenton)       | December 16, 2021 |

The notice of public hearing also appeared in the January 3, 2022 issue of the New Jersey Register along with the text of the proposed amendments.

---

Marc Brooks  
Executive Director  
February 4, 2022





## NEW JERSEY WATER SUPPLY AUTHORITY

---

P.O. BOX 5196 · CLINTON, N.J. 08809 · (908) 638-6121 · (908) 638-5241 (FAX)

### NEW JERSEY WATER SUPPLY AUTHORITY

#### **Notice of Rate Proposal - Raritan Basin System**

Take notice pursuant to the provisions of Chapter 293 of the Laws of 1981 (N.J.S.A. 58:1B-1 et. seq.) the New Jersey Water Supply Authority has proposed no revisions to its Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System to cover the Authority's Operational and Debt Service expenses for the Authority's fiscal year which commences on July 1, 2022.

These revisions propose to amend existing regulations found at N.J.A.C. 7:11-2.1 et seq. as follows: no change in the sales base of 182.339 million gallons per day; no change to the Operations and Maintenance Rate Component of \$194.00 per million gallons; no change to the Debt Service Rate Component for the New Jersey Environmental Infrastructure Financing Program of \$85.00 per million gallons; no change in the Source Water Protection Fund Component of \$24.00 per million gallons; and no change in the Capital Fund Component of \$33.00 per million gallons.

The proposal is scheduled to be published in the New Jersey Register dated January 3, 2022. A final version of the Basis and Background (B&B) document containing the full text of the proposed revisions to the Rate Schedule, together with supporting information is available from the New Jersey Water Supply Authority's website at <http://www.njwsa.org> or individual requests for the full text of the proposed rate adjustments should be sent to the New Jersey Water Supply Authority.

The Authority will conduct a Pre-public Hearing meeting with its contractual water users and any interested parties by means of online platform and teleconference call via Webex at 10:00 a.m. on Friday, January 7, 2022 to present and explain the rate adjustment proposal, answer questions, and provide any additional data requested in accordance with the rate making procedure specified in N.J.A.C. 7:11-2.14.

Notice is hereby given that the Authority will hold a Public Hearing by means of online platform and teleconference call on Friday, February 4, 2022 at 10:00 a.m. to provide the opportunity for public comments and statements on the proposed revisions. Interested persons may present statements orally or in writing relevant to the proposed action.

Details for joining either meeting will be available on the Authority's website at <http://www.njwsa.org>, by request to [mrollman@njwsa.org](mailto:mrollman@njwsa.org), or by calling 908-638-6121.

Written comments may be submitted until March 15, 2022 at which time the public record will be closed.

All comments should be addressed to:

Executive Director  
New Jersey Water Supply Authority  
1851 Highway 31  
Post Office Box 5196  
Clinton, New Jersey 08809  
[info@njwsa.org](mailto:info@njwsa.org)

NJ Advance Media  
 ATTN: Legal Advertising Dept.  
 200 State Route 31 N  
 Suite 115  
 Flemington, NJ 08822-5819



Hunterdon Co Democrat  
 DEC 20 21 AM 3:34

NEW JERSEY WATER SUPPLY AUTHORITY  
 PO BOX 5196  
 CLINTON, NJ 88090-1960

AD#:0010189803

Sales Rep: NJ LegalRepNJ  
 Account Number:1160910  
 AD#: 0010189803

FOR QUESTIONS CONCERNING THIS AFFIDAVIT,  
 PLEASE CALL 800-718-2971 OR EMAIL hdlegalads@njadvancemedia.com

Remit Payment to:  
 NJ Advance Media  
 Dept 77571  
 P.O. Box 77000  
 Detroit, MI 48277-0571

| Date       | Position   | Description  | P.O. Number                  | Costs   |
|------------|------------|--|------------------------------|---------|
| 12/16/2021 | Notices NJ | NEW JERSEY WATER SUPPLY<br>AUTHORITY Notice of Rate Proposal | Notice of Rate Proposal      |         |
|            |            |  | Ad Size                      |         |
|            |            |  | 2 x 42 L                     |         |
|            |            |  | Affidavit Fee - 12/16/2021   | \$5.00  |
|            |            |  | Basic Ad Charge - 12/16/2021 | \$39.22 |
|            |            |  | Total                        | \$44.22 |

| CLAIMANT'S CERTIFICATION AND DECLARATION  |  |
|---|--|
| I do solemnly declare and certify under the penalties of law that this bill or invoice is correct in all its particulars, that the goods have been furnished or services have been rendered as stated herein, that no bonus has been given or received by any person or persons within the knowledge of this claimant in connection with the above claim, that the amount herein stated is justly due and owing, and that the amount charged is a reasonable one. |  |
| Date: <u>12/16/2021</u>   | Fed ID#: <u>13-4123607</u>   |
| Signature: <u>Chris Tighe</u>   | Official Position: <u>AR Manager</u>   |
| CERTIFICATION BY RECEIVING AGENCY   | CERTIFICATION BY APPROVAL OFFICIAL   |
| I, having knowledge of the facts, certify and declare that the goods have been received or the services rendered and are in compliance with the specifications or other requirements, and said certification is based on signed delivery slips or other reasonable procedures or verifiable information.  | I certify and declare that this bill or invoice is correct, and that sufficient funds are available to satisfy this claim. The Payment shall be chargeable to: |
| Signature: _____  | Appropriation Account(s) and Amounts Charged: _____ P.O.#: _____   |
| Title: _____ Date: _____  | Signature: _____   |



State of New Jersey,) ss  
County of Hunterdon)

Susan Myers being duly sworn, deposes that he/she is principal clerk of NJ Advance Media; that Hunterdon Co Democrat is a public newspaper, with general circulation in Hunterdon, Mercer, Somerset, and Warren Counties, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

Hunterdon Co Democrat 12/16/2021

*Susan Myers*  
Principal Clerk of the Publisher

Sworn to and subscribed before me this 16th day of December 2021

*[Signature]*

Notary Public



**NEW JERSEY WATER SUPPLY AUTHORITY**

**Notice of Rate Proposal – Raritan Basin System**

Take notice pursuant to the provisions of Chapter 293 of the Laws of 1981 (N.J.S.A. 58:1B-1 et. seq.) the New Jersey Water Supply Authority has proposed no revisions to its Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System to cover the Authority's Operational and Debt Service expenses for the Authority's fiscal year which commences on July 1, 2022.

These revisions propose to amend existing regulations found at N.J.A.C. 7:11-2.1 et seq. as follows: no change in the sales base of 182.339 million gallons per day; no change to the Operations and Maintenance Rate Component of \$194.00 per million gallons; no change to the Debt Service Rate Component for the New Jersey Environmental Infrastructure Financing Program of \$85.00 per million gallons; no change in the Source Water Protection Fund Component of \$24.00 per million gallons; and no change in the Capital Fund Component of \$33.00 per million gallons.

The proposal is scheduled to be published in the New Jersey Register dated January 3, 2022. A final version of the Basis and Background (B&B) document containing the full text of the proposed revisions to the Rate Schedule, together with supporting information is available from the New Jersey Water Supply Authority's website at <http://www.njwsa.org> or individual requests for the full text of the proposed rate adjustments should be sent to the New Jersey Water Supply Authority.

The Authority will conduct a Pre-public Hearing meeting with its contractual water users and any interested parties by means of online platform and teleconference call via Webex at 10:00 a.m. on Friday, January 7, 2022 to present and explain the rate adjustment proposal, answer questions, and provide any additional data requested in accordance with the rate making procedure specified in N.J.A.C. 7:11-2.14.

Notice is hereby given that the Authority will hold a Public Hearing by means of online platform and teleconference call on Friday, February 4, 2022 at 10:00 a.m. to provide the opportunity for public comments and statements on the proposed revisions. Interested persons may present statements orally or in writing relevant to the proposed action.

Details for joining either meeting will be available on the Authority's website at <http://www.njwsa.org>, by request to [mrollman@njwsa.org](mailto:mrollman@njwsa.org), or by calling 908-638-6121.

Written comments may be submitted until March 15, 2022 at which time the public record will be closed.

All comments should be addressed to:  
Executive Director  
New Jersey Water Supply Authority  
1851 Highway 31  
Post Office Box 5196  
Clinton, New Jersey 08809  
[info@njwsa.org](mailto:info@njwsa.org)

(Pr's fee \$44.22) 12/16/2021

NJ Advance Media  
 Woodbridge Corporate Plaza  
 ATTN: Legal Advertising Dept.  
 485 Route 1 South  
 Bldg E., Suite 300  
 Iselin, NJ 08830



DEC 27 '21 AM 10:30  
**Star Ledger**

NEW JERSEY WATER SUPPLY AUTHORITY  
 PO BOX 5196  
 CLINTON, NJ 88090-1960

AD#:0010189805

Sales Rep: NJ LegalRepNJ  
 Account Number:1160910  
 AD#: 0010189805

FOR QUESTIONS CONCERNING THIS AFFIDAVIT,  
 PLEASE CALL 732-902-4318 OR EMAIL legalads@njadvancemedia.com

Remit Payment to:  
 NJ Advance Media  
 Dept 77571  
 P.O. Box 77000  
 Detroit, MI 48277-0571

| Date       | Position   | Description  | P.O. Number                       | Costs           |
|------------|------------|--|-----------------------------------|-----------------|
| 12/16/2021 | Notices NJ | NEW JERSEY WATER SUPPLY<br>AUTHORITY Notice of Rate Proposal | Notice of Rate Proposal - Raritan |                 |
|            |            |  | Ad Size                           |                 |
|            |            |  | 1 x 88 L                          |                 |
|            |            |  | Affidavit Fee - 12/16/2021        | \$90.00         |
|            |            |  | Basic Ad Charge - 12/16/2021      | \$136.40        |
|            |            |  | <b>Total</b>                      | <b>\$226.40</b> |

DEC 30 '21 AM 8:22

| CLAIMANTS CERTIFICATION AND DECLARATION  |   |
|--|---|
| <p>I do solemnly declare and certify under the penalties of law that this bill or invoice is correct in all its particulars, that the goods have been furnished or services have been rendered as stated herein, that no bonus has been given or received by any person or persons within the knowledge of this claimant in connection with the above claim, that the amount herein stated is justly due and owing, and that the amount charged is a reasonable one.</p> |   |
| Date: <u>12/20/2021</u>  | Fed ID#: <u>13-4123607</u>  |
| Signature: <u>Chris Tighe</u>  | Official Position: <u>AR Manager</u>  |
| CERTIFICATION BY RECEIVING AGENCY  | CERTIFICATION BY APPROVAL OFFICIAL  |
| <p>I, having knowledge of the facts, certify and declare that the goods have been received or the services rendered and are in compliance with the specifications or other requirements, and said certification is based on signed delivery slips or other reasonable procedures or verifiable information.</p>  | <p>I certify and declare that this bill or invoice is correct, and that sufficient funds are available to satisfy this claim. The Payment shall be chargeable to:</p> |
| Signature: _____   | Appropriation Account(s) and Amounts Charged: _____ P.O.#: _____  |
| Title: _____ Date: _____   | _____<br>_____<br>_____<br>Signature: _____   |



State of New Jersey,) ss  
County of Middlesex)

Lisa Arrington being duly sworn, deposes that he/she is principal clerk of NJ Advance Media; that Star Ledger is a public newspaper, with general circulation in Atlantic, Burlington, Cape May, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren Counties, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

Star Ledger 12/16/2021

Principal Clerk of the Publisher

Darian N Alexander  
Notary Public  
New Jersey  
My Commission Expires November 13, 2022  
No. 50071877

Sworn to and subscribed before me this 20th day of December 2021

Notary Public

NEW JERSEY WATER SUPPLY  
AUTHORITY

Notice of Rate Proposal –  
Raritan Basin System

Take notice pursuant to the provisions of Chapter 293 of the Laws of 1981 (N.J.S.A. 58:1B-1 et. seq.) the New Jersey Water Supply Authority has proposed no revisions to its Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System to cover the Authority's Operational and Debt Service expenses for the Authority's fiscal year which commences on July 1, 2022.

These revisions propose to amend existing regulations found at N.J.A.C. 7:11-2.1 et seq. as follows: no change in the sales base of 182.339 million gallons per day; no change to the Operations and Maintenance Rate Component of \$194.00 per million gallons; no change to the Debt Service Rate Component for the New Jersey Environmental Infrastructure Financing Program of \$85.00 per million gallons; no change in the Source Water Protection Fund Component of \$24.00 per million gallons; and no change in the Capital Fund Component of \$33.00 per million gallons.

The proposal is scheduled to be published in the New Jersey Register dated January 3, 2022. A final version of the Basis and Background (B&B) document containing the full text of the proposed revisions to the

Rate Schedule, together with supporting information is available from the New Jersey Water Supply Authority's website at <http://www.njwsa.org> or individual requests for the full text of the proposed rate adjustments should be sent to the New Jersey Water Supply Authority. The Authority will conduct a Pre-public Hearing meeting with its contractual water users and any interested parties by means of online platform and teleconference call via Webex at 10:00 a.m. on Friday, January 7, 2022 to present and explain the rate adjustment proposal, answer questions, and provide any additional data requested in accordance with the rate making procedure specified in N.J.A.C. 7:11-2.14.

Notice is hereby given that the Authority will hold a Public Hearing by means of online platform and teleconference call on Friday, February 4, 2022 at 10:00 a.m. to provide the opportunity for public comments and statements on the proposed revisions. Interested persons may present statements orally or in writing relevant to the proposed action. Details for joining either meeting will be available on the Authority's website at <http://www.njwsa.org>, by request to [mrollman@njwsa.org](mailto:mrollman@njwsa.org), or by calling 908-638-6121.

Written comments may be submitted until March 15, 2022 at which time the public record will be closed.

All comments should be addressed

All comments should be addressed to:

Executive Director  
New Jersey Water Supply Authority  
1851 Highway 31  
Post Office Box 5196  
Clinton, New Jersey 08809  
[info@njwsa.org](mailto:info@njwsa.org)  
12/16/21

\$136.40



NJ Advance Media  
Woodbridge Corporate Plaza  
ATTN: Legal Advertising Dept.  
485 Route 1 South  
Bldg E., Suite 300  
Iselin, NJ 08830



# Times of Trenton

NEW JERSEY WATER SUPPLY AUTHORITY  
PO BOX 5196  
CLINTON, NJ 88090-1960

AD#: 0010189823

Sales Rep: NJ LegalRepNJ  
Account Number: 1160910  
AD#: 0010189823

Remit Payment to:  
NJ Advance Media  
Dept 77571  
P.O. Box 77000  
Detroit, MI 48277-0571

Page 1 of 3

| Date       | Position   | Description  | P.O. Number                          | Ad Size                           | Costs   |
|------------|------------|--|--------------------------------------|-----------------------------------|---------|
| 12/16/2021 | Notices NJ | NEW JERSEY WATER SUPPLY<br>AUTHORITY Notice of Rate Proposal | Notice of Rate Proposal -<br>Raritan | 2 x 72 L                          |         |
|            |            |  |                                      | Affidavit Notary Fee - 12/16/2021 | \$25.00 |
|            |            |  |                                      | Basic Ad Charge - 12/16/2021      | \$41.76 |
|            |            |  |                                      | Total                             | \$66.76 |

FOR QUESTIONS CONCERNING THIS AFFIDAVIT, PLEASE CALL 609-989-5659 OR EMAIL [legalads@njtimes.com](mailto:legalads@njtimes.com)



State of New Jersey,) ss  
County of Middlesex)

being duly sworn, deposes that he/she is principal clerk of NJ Advance Media; that Times of Trenton is a public newspaper, with general circulation in Burlington, Hunterdon, Mercer, Middlesex, Monmouth, Ocean, and Somerset Counties, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

Times of Trenton 12/16/2021

\_\_\_\_\_  
Principal Clerk of the Publisher

Sworn to and subscribed before me this 18th day of January 2022

\_\_\_\_\_  
Notary Public

**NEW JERSEY WATER SUPPLY AUTHORITY**

**Notice of Rate Proposal –  
Raritan Basin System**

Take notice pursuant to the provisions of Chapter 293 of the Laws of 1981 (N.J.S.A. 58:1B-1 et. seq.) the New Jersey Water Supply Authority has proposed no revisions to its Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System to cover the Authority's Operational and Debt Service expenses for the Authority's fiscal year which commences on July 1, 2022.

These revisions propose to amend existing regulations found at N.J.A.C. 7:11-2.1 et seq. as follows: no change in the sales base of 182,339 million gallons per day; no change to the Operations and Maintenance Rate Component of \$194.00 per million gallons; no change to the Debt Service Rate Component for the New Jersey Environmental Infrastructure Financing Program of \$85.00 per million gallons; no change in the Source Water Protection Fund Component of \$24.00 per million gallons; and no change in the Capital Fund Component of \$33.00 per million gallons.

The proposal is scheduled to be published in the New Jersey Register dated January 3, 2022. A final version of the Basis and Background (B&B) document containing the full text of the proposed revisions to the Rate Schedule, together with supporting information is available from the New Jersey Water Supply Authority's website at <http://www.njwsa.org> or individual requests for the full text of the proposed rate adjustments should be sent to the New Jersey Water Supply Authority.

The Authority will conduct a Pre-public Hearing meeting with its contractual water users and any interested parties by means of online platform and teleconference call via Webex at 10:00 a.m. on Friday, January 7, 2022 to present and explain the rate adjustment proposal, answer questions, and provide any additional data requested in accordance with the rate making procedure specified in N.J.A.C. 7:11-2.14.

Notice is hereby given that the Authority will hold a Public Hearing by means of online platform and teleconference call on Friday, February 4, 2022 at 10:00 a.m. to provide the opportunity for public comments and statements on the proposed revisions. Interested persons may present statements orally or in writing relevant to the proposed action.

Details for joining either meeting will be available on the Authority's website at <http://www.njwsa.org>, by request to [mrollman@njwsa.org](mailto:mrollman@njwsa.org), or by calling 908-638-6121.

Written comments may be submitted until



written comments may be submitted until  
March 15, 2022 at which time the public re-  
cord will be closed.

All comments should be addressed to:

Executive Director  
New Jersey Water Supply Authority  
1851 Highway 31  
Post Office Box 5196  
Clinton, New Jersey 08809  
info@njwsa.org

12/16/21

THE TIMES

\$41.76

Mr. Aaron T. Watson  
Mercer Cty Pk Commission  
The Historic Hunt House  
197 Blackwell Road  
Pennington, NJ 08534

Mr. Timothy M. Bakels  
Hamilton Farm Golf Club  
1040 Pottersville Road  
Gladstone, New Jersey 07934

Mr. Justin Dorman  
Roxiticus Golf Club  
P. O. Box 278 & Bliss Road  
Mendham, NJ 07945

Ms. Angel Albanese  
Chief Financial Officer  
Township of East Brunswick  
P.O. Box 1081  
East Brunswick, NJ 08816

Mr. John Alexander  
Golf Course Superintendent  
Royce Brook Golf Course  
201 Hamilton Road  
Hillsborough, New Jersey 08844

Ms. Margaret Waldock  
Executive Director  
Duke Farms Foundation  
80 Route 206  
Hillsborough, NJ 08844

Toby R. Shor, President  
Village Grande @ Bear Creek  
100 Grande Boulevard  
West Windsor Twp., NJ 08550

Michele Tilley  
Middlesex Water Company  
485C Route 1 South, Suite 400  
Iselin, NJ 08830

Mr. William A. Lewis  
New Jersey American Water  
P. O. Box 102  
Bound Brook, NJ 08805

Mr. Richard Brand  
East Windsor MUA  
7 Wiltshire Drive  
East Windsor, NJ 08520

Mr. Robert K. Fullagar  
Vice President  
Middlesex Water Company  
P.O. Box 1500  
Iselin, NJ 08830

Ms. Helen Wojtenko  
Plasma Physics Laboratory  
Princeton University  
P.O. Box 451  
Princeton, NJ 08543

Mr. Richard Mulrine  
Chief Financial Officer  
City of New Brunswick  
City Hall - 78 Bayard Street  
New Brunswick, NJ 08903

Ms. Justine Progebin  
Business Administrator  
No. Brunswick Mun. Complex  
710 Hermann Road  
North Brunswick, NJ 08902

Mr. Anthony Cappa  
Operations Supervisor  
N. Brunswick Water Treatment Plant  
782 Canal Road  
Somerset, NJ 08873

Mr. Bruce O'Conner  
Vice President & Controller  
Middlesex Water Company  
P.O. Box 1500  
Iselin, NJ 08830

Ms. Stefanie A. Brand, Director  
Division of Rate Counsel  
140 E. Front St. 4<sup>th</sup> Fl., PO Box 003  
Trenton, NJ 08625

Jamie Hawn  
New Jersey American Water  
1 Water Street  
Camden, NJ 08102

Mr. Frank Marascia  
New Jersey American Water  
P. O. Box 102  
Bound Brook, NJ 08805

Mr. Tom Pepe  
Director of Grounds  
Trump National/Lamington Farm Club  
567 Lamington Road  
Bedminster, NJ 07921

Attn: Water Department  
Mount Olive Township  
204 Flanders Drakestown Road  
Budd Lake, NJ 07828

Mr. Robert Krupnik  
4 Miller Lane  
White House Station, NJ 08889

Mr. Thomas Tuttle  
Trenton Country Club  
201 Sullivan Way  
West Trenton, NJ 08628

Mr. Dennis Doll, President  
Middlesex Water Company  
P.O. Box 1500  
Iselin, NJ 08830

Alexei Walus  
Director of Water Utility  
City of New Brunswick  
City Hall - 78 Bayard Street  
New Brunswick, NJ 08903

Mr. Joel D. Moore  
Owner/General Manager  
The Ridge at Back Brook  
211 Wertsville Road  
Ringoes, NJ 08551

Mr. Michael Kammer  
State of New Jersey, BPU  
44 S. Clinton Avenue  
P. O. Box 350  
Trenton, NJ 08625-0350

Mr. Christopher White  
Stonebridge Community Assoc.  
1 Cobblestone Blvd.  
Monroe, NJ 08831

Mr. Geoffrey Soriano  
Somerset County Park Commission  
P. O. Box 3000  
Somerville, NJ 08876

Mr. Alexander Mueller  
General Manager  
Raritan Valley Country Club  
747 State Route 28  
Bridgewater, New Jersey 08807-2409

Mr. Robert Osborne  
General Manager  
Raritan Valley Country Club  
747 State Route 28  
Bridgewater, New Jersey 08807-2409

Mr. Michael Guida  
Eastern Concrete Materials  
250 Pehle Ave., Ste. 503  
Saddle Brook NJ 07663-5832

State of NJ  
c/o EnergySolve  
UBAR 0973  
P.O. BOX 6260  
Somerset, NJ 08875

Mr. Kevin Breuer  
Springdale Golf Club  
1895 Club House Drive  
Princeton, NJ 08540

Ms. Debra Robinson, Esq.  
Manager of Water Division  
Division of Rate Counsel  
140 E. Front St. 4<sup>th</sup> Fl., PO Box 003  
Trenton, NJ 08625

Mr. David Fournier  
SUEZ, Lambertville  
756 Brunswick Pike  
Lambertville, NJ 08530-2623

Michael J. Broncatello  
Comptroller  
NJDWSC  
One F.A. Orechio Drive  
Wanaque, NJ 07465

Mr. Larry Gindoff  
Executive Director  
Morris County MUA  
214A Center Grove Road  
Randolph, NJ 07869

Mattias Schroeter, Mayor  
The Borough of Glen Gardner  
83 Main St., P. O. Box 307  
Glen Gardner, NJ 08826

Claude Bertrand  
Director of Facilities  
Hunterdon Medical Center  
2100 Wescott Drive  
Flemington, New Jersey 08822

Hamilton Farm Golf Club  
Attn: Timothy M. Bakels  
1040 Pottersville Road  
Gladstone, NJ 07934

Robert T. Ortego, PE  
Manager Environmental Compliance  
Princeton University–Facility Operations  
100 Elm Drive  
Princeton, New Jersey 08543

Department of State  
Secretary of State  
125 W. State Street, P.O. Box 300  
Trenton, New Jersey 08625

Mr. Matthew Csik  
New Jersey American Water  
149 Yellowbrook Road, Ste. 109  
Farmingdale, New Jersey 07727

Mr. David Brogle  
Director of Production  
Middlesex Water Company  
P.O. Box 1500  
Iselin, NJ 08830

Mr. Jason Pierce  
Heron Glen Golf Course  
110 State Hwy. 202/31  
Ringoes, NJ 08551

Mr. Craig Spencer  
Washington Township, MUA  
46 E. Mill Road  
Long Valley, NJ 07853

Mr. David Shope  
P. O. Box 651  
Long Valley, NJ 07853

Guy R. Weisser, President  
Village Grande @ Bear Creek  
100 Grande Boulevard  
West Windsor, NJ 08550

Mr. Abe Silverman  
State of New Jersey, BPU  
44 S. Clinton Avenue  
P. O. Box 350  
Trenton, NJ 08625-0350

Mr. William Lewis  
New Jersey American Water  
27 St. Andrews Drive  
Washington, New Jersey 07882

## **Michelle Rollman**

---

**From:** Michelle Rollman  
**Sent:** Thursday, December 16, 2021 10:43 AM  
**To:** Michelle Rollman  
**Subject:** NJWSA NOTICES OF RATE PROPOSALS  
**Attachments:** Notice 2023 Proposed RBS Rates.pdf; Notice FY2023 Proposed MRS Rates.pdf

Pursuant to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., administrative agencies are required to distribute notice of proposed rulemaking activities to the news media maintaining a press office at the State House Complex. In satisfaction of this requirement, the New Jersey Water Supply Authority is forwarding to you the attached two notices of rate proposals.

Please find attached the New Jersey Water Supply Authority Notice of Rate Proposal for the Raritan Basin System as well as the Notice of Rate Proposal for the Manasquan Reservoir System.

Many thanks and Happy Holidays,  
Michelle Rollman

### **Michelle Rollman**

Finance and Accounting Analyst  
New Jersey Water Supply Authority  
Clinton Administration Building  
1851 State Route 31  
P.O. Box 5196  
Clinton, NJ 08809  
P: (908) 638-6121  
F: (908) 638-5241  
[mrollman@njwsa.org](mailto:mrollman@njwsa.org)

## Michelle Rollman

---

**From:** postmaster@cvcmail.onmicrosoft.com  
**To:** news12nj@news12.com  
**Sent:** Thursday, December 16, 2021 10:46 AM  
**Subject:** Delivered: External E-mail - NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[news12nj@news12.com](mailto:news12nj@news12.com)

Subject: External E-mail - NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@disney.com  
**To:** susann.l.mcgoldrick@abc.com  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[susann.l.mcgoldrick@abc.com](mailto:susann.l.mcgoldrick@abc.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@advancelocal.net  
**To:** tmartello@njadvancemedia.com  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[tmartello@njadvancemedia.com](mailto:tmartello@njadvancemedia.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@advancelocal.net  
**To:** slivio@njadvancemedia.com  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[slivio@njadvancemedia.com](mailto:slivio@njadvancemedia.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS



## Michelle Rollman

---

**From:** postmaster@advancelocal.net  
**To:** bjohnson@njadvancemedia.com  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[bjohnson@njadvancemedia.com](mailto:bjohnson@njadvancemedia.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@townsquaremedia.com  
**To:** eric.scott@townsquaremedia.com  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[eric.scott@townsquaremedia.com](mailto:eric.scott@townsquaremedia.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@advancelocal.net  
**To:** news@hcdemocrat.com  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[news@hcdemocrat.com](mailto:news@hcdemocrat.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

**Michelle Rollman**

---

**From:** postmaster@advancelocal.com  
**To:** cbaxter@njadvancemedia.com  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[cbaxter@njadvancemedia.com](mailto:cbaxter@njadvancemedia.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@advancelocal.net  
**To:** news@njtimes.com  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[news@njtimes.com](mailto:news@njtimes.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@townsquaremedia.com  
**To:** david.matthau@townsquaremedia.com  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[david.matthau@townsquaremedia.com](mailto:david.matthau@townsquaremedia.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@townsquaremedia.com  
**To:** newsjerz@nj1015.com  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[newsjerz@nj1015.com](mailto:newsjerz@nj1015.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

**Michelle Rollman**

---

**From:** postmaster@thirteen.onmicrosoft.com  
**To:** aronm@njtvonline.org  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[aronm@njtvonline.org](mailto:aronm@njtvonline.org)

Subject: NJWSA NOTICES OF RATE PROPOSALS



## Michelle Rollman

---

**From:** postmaster@ap.org  
**To:** mcatalini@ap.org  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[mcatalini@ap.org](mailto:mcatalini@ap.org)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** Microsoft Outlook  
**To:** Susan Buckley; Marc Brooks; Darin Shaffer  
**Sent:** Thursday, December 16, 2021 10:43 AM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[Susan Buckley \(sbuckley@njwsa.org\)](mailto:sbuckley@njwsa.org)

[Marc Brooks \(mbrooks@njwsa.org\)](mailto:mbrooks@njwsa.org)

[Darin Shaffer \(dshaffer@njwsa.org\)](mailto:dshaffer@njwsa.org)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** Microsoft Outlook  
<MicrosoftExchange329e71ec88ae4615bbc36ab6ce41109e@apgbl.onmicrosoft.com>  
**To:** NewJersey@applanner.com  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[NewJersey@applanner.com](mailto:NewJersey@applanner.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** mcalpin@northjersey.com; racioppi@northjersey.com; stile@northjersey.com  
**Sent:** Thursday, December 16, 2021 10:51 AM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[mcalpin@northjersey.com](mailto:mcalpin@northjersey.com)

[racioppi@northjersey.com](mailto:racioppi@northjersey.com)

[stile@northjersey.com](mailto:stile@northjersey.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** bjordan@gannettnj.com  
**Sent:** Thursday, December 16, 2021 10:51 AM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[bjordan@gannettnj.com](mailto:bjordan@gannettnj.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

**Michelle Rollman**

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** jalt@thedailyjournal.com  
**Sent:** Thursday, December 16, 2021 10:51 AM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[jalt@thedailyjournal.com](mailto:jalt@thedailyjournal.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

**Michelle Rollman**

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** newsroom@dailyrecord.com  
**Sent:** Thursday, December 16, 2021 10:51 AM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[newsroom@dailyrecord.com](mailto:newsroom@dailyrecord.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

**Michelle Rollman**

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** info@1010winsmail.com  
**Sent:** Thursday, December 16, 2021 10:51 AM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[info@1010winsmail.com](mailto:info@1010winsmail.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS



## Michelle Rollman

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** editor@trentonian.com; newstips@pressofac.com; wkeough@pressofac.com;  
briang.thompson@nbcuni.com; wcaudesk@nbcuni.com; desk@cbs2ny.com  
**Sent:** Thursday, December 16, 2021 10:45 AM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[editor@trentonian.com](mailto:editor@trentonian.com)

[newstips@pressofac.com](mailto:newstips@pressofac.com)

[wkeough@pressofac.com](mailto:wkeough@pressofac.com)

[briang.thompson@nbcuni.com](mailto:briang.thompson@nbcuni.com)

[wcaudesk@nbcuni.com](mailto:wcaudesk@nbcuni.com)

[desk@cbs2ny.com](mailto:desk@cbs2ny.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** Mail Delivery System <mailer-daemon@ppe-hosted.com>  
**To:** newsdesk@fios1news.com  
**Sent:** Saturday, January 15, 2022 11:52 AM  
**Subject:** Undeliverable: NJWSA NOTICES OF RATE PROPOSALS

### Delivery has failed to these recipients or groups:

[newsdesk@fios1news.com](mailto:newsdesk@fios1news.com)

A communication failure occurred during the delivery of this message. Please try resending the message later. If the problem continues, contact your helpdesk.

### Diagnostic information for administrators:

Generating server: dispatch1-us1.ppe-hosted.com

[newsdesk@fios1news.com](mailto:newsdesk@fios1news.com)

Remote Server returned '< #4.4.1 X-PPE-Hosted-ESMTP-Server; connect to fios1news.com[72.52.10.14]:25: Connection timed out>'

### Original message headers:

Return-Path:

Received: from dispatch1-us1.ppe-hosted.com (localhost.localdomain [127.0.0.1])  
by dispatch1-us1.ppe-hosted.com (PPE Hosted ESMTP Server) with ESMTP id  
D4F9021B5C3  
for ; Thu, 16 Dec 2021 15:43:37 +0000 (UTC)

X-Virus-Scanned: Proofpoint Essentials engine

Received: from mx1-us1.ppe-hosted.com (unknown [10.7.66.137])  
by mx1-us1.ppe-hosted.com (PPE Hosted ESMTP Server) with ESMTPS id 82C951A0075;  
Thu, 16 Dec 2021 15:43:25 +0000 (UTC)

Received: from NJW-DC1.njwsa2.local (50-245-216-33-static.hfc.comcastbusiness.net  
[50.245.216.33])

(using TLSv1.2 with cipher ECDHE-RSA-AES256-SHA384 (256/256 bits))

(No client certificate requested)

by mx1-us1.ppe-hosted.com (PPE Hosted ESMTP Server) with ESMTPS id 130FD14008B;  
Thu, 16 Dec 2021 15:43:22 +0000 (UTC)

Received: from NJW-DC1.njwsa2.local (192.168.1.82) by NJW-DC1.njwsa2.local  
(192.168.1.82) with Microsoft SMTP Server (TLS) id 15.0.1497.26; Thu, 16 Dec  
2021 10:43:20 -0500

Received: from NJW-DC1.njwsa2.local ([fe80::10de:d187:f17b:78a8]) by  
NJW-DC1.njwsa2.local ([fe80::10de:d187:f17b:78a8%13]) with mapi id  
15.00.1497.026; Thu, 16 Dec 2021 10:43:20 -0500

From: Michelle Rollman

To: Michelle Rollman

Subject: NJWSA NOTICES OF RATE PROPOSALS

Thread-Topic: NJWSA NOTICES OF RATE PROPOSALS

Thread-Index: AdfykxVqkiAEWX0JS000YWlxqlEr2g==

## Michelle Rollman

---

**From:** Microsoft Outlook  
**To:** KYW Radio  
**Sent:** Saturday, December 18, 2021 10:43 AM  
**Subject:** Undeliverable: NJWSA NOTICES OF RATE PROPOSALS

### Delivery has failed to these recipients or groups:

[KYW Radio \(newstips@kyw1060info.com\)](mailto:newstips@kyw1060info.com)

The server has tried to deliver this message, without success, and has stopped trying. Please try sending this message again. If the problem continues, contact your helpdesk.

### Diagnostic information for administrators:

Generating server: NJW-DC1.njwsa2.local  
Total retry attempts: 2657

[newstips@kyw1060info.com](mailto:newstips@kyw1060info.com)

Remote Server returned '550 4.4.7 QUEUE.Expired; message expired'

### Original message headers:

Received: from NJW-DC1.njwsa2.local (192.168.1.82) by NJW-DC1.njwsa2.local (192.168.1.82) with Microsoft SMTP Server (TLS) id 15.0.1497.26; Thu, 16 Dec 2021 10:43:20 -0500  
Received: from NJW-DC1.njwsa2.local ([fe80::10de:d187:f17b:78a8]) by NJW-DC1.njwsa2.local ([fe80::10de:d187:f17b:78a8%13]) with mapi id 15.00.1497.026; Thu, 16 Dec 2021 10:43:20 -0500  
From: Michelle Rollman  
To: Michelle Rollman  
Subject: NJWSA NOTICES OF RATE PROPOSALS  
Thread-Topic: NJWSA NOTICES OF RATE PROPOSALS  
Thread-Index: AdfykxVqkiAEWX0JS000YWlxqlEr2g==  
Disposition-Notification-To: Michelle Rollman  
Return-Receipt-To:  
Date: Thu, 16 Dec 2021 15:43:19 +0000  
Message-ID:  
Accept-Language: en-US  
Content-Language: en-US  
X-MS-Has-Attach: yes  
X-MS-TNEF-Correlator:  
x-ms-exchange-transport-fromentityheader: Hosted  
x-originating-ip: [50.245.216.33]  
Content-Type: multipart/mixed;  
    boundary="\_005\_92314f2b52a14af89c70bf7a446790a3NJWDC1njwsa2local\_"  
MIME-Version: 1.0

## Michelle Rollman

---

**From:** postmaster@advancelocal.net  
**To:** srizzo@njadvancemedia.com  
**Sent:** Thursday, December 16, 2021 11:00 AM  
**Subject:** Undeliverable: NJWSA NOTICES OF RATE PROPOSALS

### Delivery has failed to these recipients or groups:

[srizzo@njadvancemedia.com](mailto:srizzo@njadvancemedia.com)

A problem occurred during the delivery of this message. Please try to resend the message later. If the problem continues, contact your helpdesk.

### Diagnostic information for administrators:

Generating server: BN8PR01MB5667.prod.exchangelabs.com

srizzo@njadvancemedia.com

Remote Server returned '< #5.4.6 smtp;554 5.4.6 Hop count exceeded - possible mail loop>'

### Original message headers:

Received: from DM3PR12CA0098.namprd12.prod.outlook.com (2603:10b6:0:55::18) by BN8PR01MB5667.prod.exchangelabs.com (2603:10b6:408:b6::20) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_GCM\_SHA384) id 15.20.4801.14; Thu, 16 Dec 2021 15:59:36 +0000  
Received: from DM6NAM10FT059.eop-nam10.prod.protection.outlook.com (2603:10b6:0:55:cafe::a8) by DM3PR12CA0098.outlook.office365.com (2603:10b6:0:55::18) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_GCM\_SHA384) id 15.20.4801.14 via Frontend Transport; Thu, 16 Dec 2021 15:59:36 +0000  
Authentication-Results: spf=neutral (sender IP is 69.2.104.129) smtp.mailfrom=njwsa.org; dkim=none (message not signed) header.d=none;dmarc=none action=none header.from=njwsa.org;  
Received-SPF: Neutral (protection.outlook.com: 69.2.104.129 is neither permitted nor denied by domain of njwsa.org)  
Received: from mail.advancelocal.net (69.2.104.129) by DM6NAM10FT059.mail.protection.outlook.com (10.13.153.71) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_CBC\_SHA384) id 15.20.4801.14 via Frontend Transport; Thu, 16 Dec 2021 15:59:36 +0000  
Received: from ACS-EXCH02.advancelocal.net (10.140.4.58) by ACS-EXCH01.advancelocal.net (10.56.1.26) with Microsoft SMTP Server (TLS) id 15.0.1497.26; Thu, 16 Dec 2021 10:44:33 -0500  
Received: from ACS-EXCH01.advancelocal.net (10.56.1.26) by ACS-EXCH02.advancelocal.net (10.140.4.58) with Microsoft SMTP Server (TLS) id 15.0.1497.26; Thu, 16 Dec 2021 10:44:32 -0500  
Received: from NAM10-BN7-obe.outbound.protection.outlook.com (104.47.70.109) by ACS-EXCH01.advancelocal.net (10.56.1.26) with Microsoft SMTP Server (TLS) id 15.0.1497.26 via Frontend Transport; Thu, 16 Dec 2021 10:44:32 -0500

## Michelle Rollman

---

**From:** postmaster@Gannett.onmicrosoft.com  
**To:** mcalpin@northjersey.com  
**Sent:** Thursday, December 16, 2021 10:51 AM  
**Subject:** Undeliverable: NJWSA NOTICES OF RATE PROPOSALS

### Delivery has failed to these recipients or groups:

[mcalpin@northjersey.com](mailto:mcalpin@northjersey.com)

This message was rejected by the recipient email system. Please check the recipient's email address and try resending this message, or contact the recipient directly.

### Diagnostic information for administrators:

Generating server: SN6PR01MB4638.prod.exchangelabs.com

mcalpin@northjersey.com

Remote Server returned '< #5.1.10 smtp;550 5.1.10 RESOLVER.ADR.RecipientNotFound; Recipient mcalpin@northjersey.com not found by SMTP address lookup>'

### Original message headers:

Received: from BN9PR03CA0576.namprd03.prod.outlook.com (2603:10b6:408:10d::11) by SN6PR01MB4638.prod.exchangelabs.com (2603:10b6:805:cb::32) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_GCM\_SHA384) id 15.20.4778.15; Thu, 16 Dec 2021 15:51:26 +0000  
Received: from BN8NAM11FT028.eop-nam11.prod.protection.outlook.com (2603:10b6:408:10d:cafe::fd) by BN9PR03CA0576.outlook.office365.com (2603:10b6:408:10d::11) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_GCM\_SHA384) id 15.20.4778.15 via Frontend Transport; Thu, 16 Dec 2021 15:51:26 +0000  
Authentication-Results: spf=neutral (sender IP is 207.211.31.81) smtp.mailfrom=njwsa.org; dkim=none (message not signed) header.d=none;dmarc=none action=none header.from=njwsa.org  
Received-SPF: Neutral (protection.outlook.com: 207.211.31.81 is neither permitted nor denied by domain of njwsa.org)  
Received: from us-smtp-1.mimecast.com (207.211.31.81) by BN8NAM11FT028.mail.protection.outlook.com (10.13.176.225) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_GCM\_SHA384) id 15.20.4801.14 via Frontend Transport; Thu, 16 Dec 2021 15:51:26 +0000  
ARC-Message-Signature: i=1; a=rsa-sha256; c=relaxed/relaxed; d=dkim.mimecast.com; s=201903; t=1639669885; h=from:from:reply-to:subject:subject:date:date:message-id:message-id: to:to:cc:mime-version:mime-version:content-type:content-type; bh=0Mmpjt3SGqpAC8GzAbEQbNsuTMaWrfrQahPytH+y6VI=; b=YleZlYJ42NzSFplH9cHYgdP7Xj6xRgsvAUvgMQhEgQekRvdNeqBDn9bPeapP4+iShtXozf xBJ5mua3rFXk6nCulSSQ8PE4p09psZm6ED7rpIe5WDD4OoU12lRiRg2uj8meMTehFMnfRz b73ChMf+z7W400ZbX15K8Bs787BQsroUM5UjJ96jAYJYU8P2OfhIMQ/yNkEKNiSzmDvh0

## Michelle Rollman

---

**From:** postmaster@Gannett.onmicrosoft.com  
**To:** jalt@thedailyjournal.com  
**Sent:** Thursday, December 16, 2021 10:51 AM  
**Subject:** Undeliverable: NJWSA NOTICES OF RATE PROPOSALS

### Delivery has failed to these recipients or groups:

[jalt@thedailyjournal.com](mailto:jalt@thedailyjournal.com)

This message was rejected by the recipient email system. Please check the recipient's email address and try resending this message, or contact the recipient directly.

### Diagnostic information for administrators:

Generating server: CY4PR01MB2247.prod.exchangelabs.com

[jalt@thedailyjournal.com](mailto:jalt@thedailyjournal.com)

Remote Server returned '< #5.1.10 smtp;550 5.1.10 RESOLVER.ADR.RecipientNotFound; Recipient jalt@thedailyjournal.com not found by SMTP address lookup>'

### Original message headers:

Received: from CO2PR04CA0101.namprd04.prod.outlook.com (2603:10b6:104:6::27) by CY4PR01MB2247.prod.exchangelabs.com (2603:10b6:903:29::10) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_GCM\_SHA384) id 15.20.4801.14; Thu, 16 Dec 2021 15:51:04 +0000  
Received: from CO1NAM11FT049.eop-nam11.prod.protection.outlook.com (2603:10b6:104:6:cafe::c) by CO2PR04CA0101.outlook.office365.com (2603:10b6:104:6::27) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_GCM\_SHA384) id 15.20.4801.14 via Frontend Transport; Thu, 16 Dec 2021 15:51:04 +0000  
Authentication-Results: spf=neutral (sender IP is 205.139.110.61) smtp.mailfrom=njwsa.org; dkim=none (message not signed) header.d=none;dmarc=none action=none header.from=njwsa.org  
Received-SPF: Neutral (protection.outlook.com: 205.139.110.61 is neither permitted nor denied by domain of njwsa.org)  
Received: from us-smtp-1.mimecast.com (205.139.110.61) by CO1NAM11FT049.mail.protection.outlook.com (10.13.175.50) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_GCM\_SHA384) id 15.20.4801.14 via Frontend Transport; Thu, 16 Dec 2021 15:51:03 +0000  
ARC-Message-Signature: i=1; a=rsa-sha256; c=relaxed/relaxed; d=dkim.mimecast.com; s=201903; t=1639669862; h=from:from:reply-to:subject:subject:date:date:message-id:message-id: to:to:cc:mime-version:mime-version:content-type:content-type; bh=0Mmpjt3SGqpAC8GzAbEQbNsuTMaWrfrQahPytH+y6VI=; b=DlGuljWP5mnl74AaL3S1lc85gYamkZ9kVv2GM/xSvvVzxxv1URsj0RuJbhNsJckRnyjJTPP i9V56bBkW0N9/MPaVd7RMeEw//txwQx4/K5paU1A9Nw5+d0E5mjHQ01lxn0LwF20jalD9c Z/azCP3HS/soMzrG7tihUDkVQ2oV0lUvx3P3dRgfKP1v10DIuRQKJE107icAl/Pd62BOor

## Michelle Rollman

---

**From:** Mail Delivery System <mailer-daemon@ppe-hosted.com>  
**To:** editorial@eenews.net  
**Sent:** Thursday, December 16, 2021 10:45 AM  
**Subject:** Undeliverable: NJWSA NOTICES OF RATE PROPOSALS

### Delivery has failed to these recipients or groups:

[editorial@eenews.net](mailto:editorial@eenews.net)

A communication failure occurred during the delivery of this message. Please try resending the message later. If the problem continues, contact your helpdesk.

The following organization rejected your message: eenews-net.mail.protection.outlook.com.

### Diagnostic information for administrators:

Generating server: dispatch1-us1.ppe-hosted.com

[editorial@eenews.net](mailto:editorial@eenews.net)

eenews-net.mail.protection.outlook.com  
Remote Server returned "

### Original message headers:

Return-Path:

Received: from us4-mdac18-55.ut7.mdlocal (unknown [10.7.67.35])  
by dispatch1-us1.ppe-hosted.com (PPE Hosted ESMTTP Server) with ESMTTP id  
C97366010F;

Thu, 16 Dec 2021 15:43:27 +0000 (UTC)

X-Virus-Scanned: Proofpoint Essentials engine

Received: from mx1-us1.ppe-hosted.com (unknown [10.7.66.137])  
by mx1-us1.ppe-hosted.com (PPE Hosted ESMTTP Server) with ESMTTPS id 82C951A0075;  
Thu, 16 Dec 2021 15:43:25 +0000 (UTC)

X-PPE-CONN: {"ccert\_pubkey\_fingerprint":"","reverse\_client\_name":"50-245-216-33-  
static.hfc.comcastbusiness.net","stress":"","request":"smtpd\_access\_policy","recipient\_co  
unt":"32","instance":"76c3.61bb5e9a.1170b.0","policy\_context":"connection\_event","encrypt  
ion\_protocol":"TLSv1.2","ccert\_fingerprint":"","etrn\_domain":"","server\_address":"10.7.66  
.137","encryption\_keysize":"256","protocol\_name":"ESMTTP","client\_port":"58372","recipient  
":"","ccert\_issuer":"","sasl\_method":"","protocol\_state":"DATA","queue\_id":"130FD14008B",  
"ccert\_subject":"","helo\_name":"NJW-DC1.njwsa2.local","encryption\_cipher":"ECDHE-RSA-  
AES256-SHA384","sasl\_sender":"","client\_name":"50-245-216-33-  
static.hfc.comcastbusiness.net","size":"217114","client\_address":"50.245.216.33","sasl\_us  
ername":"","sender":"[mrollman@njwsa.org](mailto:mrollman@njwsa.org)","server\_port":"25"}

Received: from NJW-DC1.njwsa2.local (50-245-216-33-static.hfc.comcastbusiness.net  
[50.245.216.33])

(using TLSv1.2 with cipher ECDHE-RSA-AES256-SHA384 (256/256 bits))

(No client certificate requested)

## Michelle Rollman

---

**From:** postmaster@wbgo.org  
**To:** pgregory@wbgo.org  
**Sent:** Thursday, December 16, 2021 10:44 AM  
**Subject:** Undeliverable: NJWSA NOTICES OF RATE PROPOSALS

### Delivery has failed to these recipients or groups:

[pgregory@wbgo.org](mailto:pgregory@wbgo.org)

This message was rejected by the recipient email system. Please check the recipient's email address and try resending this message, or contact the recipient directly.

### Diagnostic information for administrators:

Generating server: CO6PR13MB5324.namprd13.prod.outlook.com

[pgregory@wbgo.org](mailto:pgregory@wbgo.org)

Remote Server returned '< #5.1.10 smtp;550 5.1.10 RESOLVER.ADR.RecipientNotFound; Recipient [pgregory@wbgo.org](mailto:pgregory@wbgo.org) not found by SMTP address lookup>'

### Original message headers:

Received: from BN8PR07CA0017.namprd07.prod.outlook.com (2603:10b6:408:ac::30) by CO6PR13MB5324.namprd13.prod.outlook.com (2603:10b6:303:14b::21) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_GCM\_SHA384) id 15.20.4823.7; Thu, 16 Dec 2021 15:43:29 +0000

Received: from BN7NAM10FT004.eop-nam10.prod.protection.outlook.com (2603:10b6:408:ac:cafe::92) by BN8PR07CA0017.outlook.office365.com (2603:10b6:408:ac::30) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_GCM\_SHA384) id 15.20.4801.14 via Frontend Transport; Thu, 16 Dec 2021 15:43:28 +0000

Authentication-Results: spf=neutral (sender IP is 148.163.129.49) smtp.mailfrom=njwsa.org; dkim=none (message not signed) header.d=none; dmarc=none action=none header.from=njwsa.org;

Received-SPF: Neutral (protection.outlook.com: 148.163.129.49 is neither permitted nor denied by domain of njwsa.org)

Received: from dispatch1-us1.ppe-hosted.com (148.163.129.49) by BN7NAM10FT004.mail.protection.outlook.com (10.13.157.158) with Microsoft SMTP Server (version=TLS1\_2, cipher=TLS\_ECDHE\_RSA\_WITH\_AES\_256\_GCM\_SHA384) id 15.20.4778.14 via Frontend Transport; Thu, 16 Dec 2021 15:43:28 +0000

X-Virus-Scanned: Proofpoint Essentials engine

Received: from mx1-us1.ppe-hosted.com (unknown [10.7.66.137]) by mx1-us1.ppe-hosted.com (PPE Hosted ESMTMP Server) with ESMTMP id 82C951A0075; Thu, 16 Dec 2021 15:43:25 +0000 (UTC)

Received: from NJW-DC1.njwsa2.local (50-245-216-33-static.hfc.comcastbusiness.net [50.245.216.33]) (using TLSv1.2 with cipher ECDHE-RSA-AES256-SHA384 (256/256 bits))



## Michelle Rollman

---

**From:** Microsoft Outlook  
**To:** Courier Post (ccomegno@camdengannett.com)  
**Sent:** Thursday, December 16, 2021 10:43 AM  
**Subject:** Undeliverable: NJWSA NOTICES OF RATE PROPOSALS

### Delivery has failed to these recipients or groups:

[Courier Post \(ccomegno@camdengannett.com\)](mailto:ccomegno@camdengannett.com) ([ccomegno@camdengannett.com](mailto:ccomegno@camdengannett.com))

The recipient's email address isn't correct. Please check the email address and try to resend the message. If the problem continues, contact your helpdesk.

The following organization rejected your message: mx1-us1.ppe-hosted.com.

### Diagnostic information for administrators:

Generating server: NJW-DC1.njwsa2.local

[ccomegno@camdengannett.com](mailto:ccomegno@camdengannett.com)

mx1-us1.ppe-hosted.com

Remote Server returned '550 5.1.2 : Recipient address rejected: Domain not found'

### Original message headers:

Received: from NJW-DC1.njwsa2.local (192.168.1.82) by NJW-DC1.njwsa2.local (192.168.1.82) with Microsoft SMTP Server (TLS) id 15.0.1497.26; Thu, 16 Dec 2021 10:43:20 -0500

Received: from NJW-DC1.njwsa2.local ([fe80::10de:d187:f17b:78a8]) by NJW-DC1.njwsa2.local ([fe80::10de:d187:f17b:78a8%13]) with mapi id 15.00.1497.026; Thu, 16 Dec 2021 10:43:20 -0500

From: Michelle Rollman

To: Michelle Rollman

Subject: NJWSA NOTICES OF RATE PROPOSALS

Thread-Topic: NJWSA NOTICES OF RATE PROPOSALS

Thread-Index: AdfykxVqkiAEWX0JS000YWlxqlEr2g==

Disposition-Notification-To: Michelle Rollman

Return-Receipt-To:

Date: Thu, 16 Dec 2021 15:43:19 +0000

Message-ID:

Accept-Language: en-US

Content-Language: en-US

X-MS-Has-Attach: yes

X-MS-TNEF-Correlator:

x-ms-exchange-transport-fromentityheader: Hosted

x-originating-ip: [50.245.216.33]

Content-Type: multipart/mixed;

boundary="\_005\_92314f2b52a14af89c70bf7a446790a3NJWDC1njwsa2local\_"

# New Jersey Register Notice

Exhibit D

# RULE PROPOSALS

## INTERESTED PERSONS

Interested persons may submit comments, information or arguments concerning any of the rule proposals in this issue until the date indicated in the proposal. Submissions and any inquiries about submissions should be addressed to the agency officer specified for a particular proposal.

The required minimum period for comment concerning a proposal is 30 days. A proposing agency may extend the 30-day comment period to accommodate public hearings or to elicit greater public response to a proposed new rule or amendment. Most notices of proposal include a 60-day comment period, in order to qualify the notice for an exception to the rulemaking calendar requirements of N.J.S.A. 52:14B-3. An extended comment deadline will be noted in the heading of a proposal or appear in subsequent notice in the Register.

At the close of the period for comments, the proposing agency may thereafter adopt a proposal, without change, or with changes not in violation of the rulemaking procedures at N.J.A.C. 1:30-6.3. The adoption becomes effective upon publication in the Register of a notice of adoption, unless otherwise indicated in the adoption notice. Promulgation in the New Jersey Register establishes a new or amended rule as an official part of the New Jersey Administrative Code.

## ENVIRONMENTAL PROTECTION

### (a)

#### NEW JERSEY WATER SUPPLY AUTHORITY Schedule of Rates, Charges, and Debt Service Assessments for the Sale of Water from the Raritan Basin System

#### Proposed Amendments: N.J.A.C. 7:11-2.3, 2.4, 2.5, and 2.6

Authorized By: New Jersey Water Supply Authority, Shawn M. LaTourette, Chair, and Commissioner, Department of Environmental Protection.

Authority: N.J.S.A. 58:1B-7.

Calendar Reference: See Summary below for explanation of the exception to the calendar requirement.

DEP Docket Number: 09-21-12.

Proposal Number: PRN 2022-004.

In accordance with N.J.A.C. 7:11-2.14(a), the New Jersey Water Supply Authority (Authority) will hold a pre-public hearing meeting on January 7, 2022, at 10:00 A.M. and a public hearing on February 4, 2022, at 10:00 A.M. concerning this notice of proposal. The location of the pre-public hearing meeting and the public hearing will depend on the status of the COVID-19 pandemic.

Further information on the pre-public hearing meeting and on the public hearing will be posted on the Authority's website at <https://www.njwsa.org/public-notices.html> at least 15 days prior to the date of the meeting/hearing. Notice will also be sent to those who have subscribed to the Authority's rulemaking listserv. To subscribe, go to <https://www.njwsa.org/rate-proposals.html>.

Submit comments by March 4, 2022, electronically to the Authority at [info@njwsa.org](mailto:info@njwsa.org).

The Authority encourages electronic submittal of comments. In the alternative, comments may be submitted on paper to:

Marc Brooks  
Executive Director  
New Jersey Water Supply Authority  
Attn: DEP Docket No. 09-21-12  
1851 Route 31  
PO Box 5196  
Clinton, NJ 08809

The Basis and Background document, which is available at the Authority's website <http://www.njwsa.org>, explains in further detail the financial justification for the proposed rate schedule. The rules can also be viewed or downloaded from the Authority's website, <http://www.njwsa.org>.

The agency proposal follows:

#### Summary

As the Authority has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

The Authority is proposing to amend its Schedule of Rates, Charges, and Debt Service Assessments for the Sale of Water from the Raritan Basin System (System), to cover expenses for Fiscal Year (FY) 2023. The Authority operates on a July 1 to June 30 fiscal year. The only proposed amendment updates references to the fiscal year (FY) from FY 2022 to FY 2023. No change to the overall rate of \$336.00 per million gallons (MG) is proposed. The Authority anticipates the rates will be adopted operative July 1, 2022.

The general rate schedule for operations and maintenance (O&M) covers the operation expenses of the System. This component, set forth at N.J.A.C. 7:11-2.3 and incorporated by reference in the stand-by charge at N.J.A.C. 7:11-2.12, was last adjusted effective July 1, 2017, when the amount was increased from \$171.00 to \$194.00 per MG. See 49 N.J.R. 9(a); 1678(b).

The O&M rate component sales base is set forth at N.J.A.C. 7:11-2.3(a)8. The O&M rate component sales base for FY 2022 was 182.339 million gallons per day (MGD). The Authority anticipates no change in the sales base. Projected operating costs for FY 2023 indicate that no change is necessary in the O&M rate component of \$194.00.

At N.J.A.C. 7:11-2.4(b), the debt service assessment rate for FY 2022 was based on a sales base of 182.339 MGD. The Authority anticipates that the applicable sales base for FY 2023 will remain at 182.339 MGD. For FY 2023, no change is necessary in the debt service assessment rate of \$85.00 per MG to repay New Jersey Infrastructure Bank, formerly New Jersey Environmental Infrastructure Financing Program (NJEIFP) loans issued to cover the cost of dredging a 10.5 mile stretch of the Delaware and Raritan Canal and to cover the projected cost of rehabilitating three earthen embankments within the Authority's Round Valley Reservoir System (Round Valley Reservoir Rehabilitation Program). When final bonds have been issued for both projects, the rate may be adjusted to reflect the final debt service schedules.

The Authority established a Capital Fund Assessment (N.J.A.C. 7:11-2.5(c)) starting July 1, 1994. This component is used to fund the Authority's annual Capital Improvement Program, which includes projects to rehabilitate various culverts, canal embankments, and flow control structures, without incurring long-term debt. Projected capital costs for FY 2023 indicate that no change is necessary in the Capital Fund Assessment of \$33.00 per MG.

The Authority established a Source Water Protection Fund Assessment (N.J.A.C. 7:11-2.6(b)) starting July 1, 2002. This component is based on the annual source water protection expenses to acquire and otherwise protect parcels of land critical to the preservation of system water quality and quantity. Projected costs for FY 2023 indicate that no change is

necessary in the Source Water Protection Fund Assessment of \$24.00 per MG.

#### Social Impact

The proposed amendments will maintain the overall rate of \$336.00 per million gallons for FY 2023 and will ensure that the rates for raw water withdrawn, diverted, or allocated from the Raritan Basin System are equitably assessed and sufficient to provide the revenues required by the Authority.

The Raritan Basin System, comprising an area of 800 square miles and including the 11 billion gallon capacity Spruce Run Reservoir in Hunterdon County, the 55 billion gallon capacity Round Valley Reservoir in Hunterdon County, and the 60-mile long Delaware and Raritan Canal in Hunterdon, Mercer, Somerset, and Middlesex Counties, provides both active and passive recreational opportunities to the public, in addition to a basic raw water supply, for approximately two million individuals living in central New Jersey.

#### Economic Impact

There are no proposed adjustments to the rate schedule other than the amendment modifying the fiscal year reference to FY 2023. Consequently, there is no change in the total charge for the uninterrupted untreated water supply from the System of \$336.00 per MG. There will, therefore, be no effect per household in the billing area. The rate will continue to ensure that necessary insurance coverage is maintained for all aspects of the Authority's operations while also sustaining operations to meet and enhance the Authority's mission of managing water supply. The regulatory amendments to the Schedule of Rates and Charges are in accordance with the Authority's statutory jurisdiction over System diversions that impact safe yield.

#### Environmental Impact

The adequate financing of the Raritan River Basin System's upkeep and operation, which is provided by the proposed amendments, will result in a positive environmental impact. A properly maintained Raritan Basin System and its operations protect the water users in the Raritan River Basin.

The Raritan Basin System also provides habitat for many species of waterfowl and wildlife in an increasingly urbanized region of the State.

The Raritan Basin System is capable of supplying a dependable water supply of 241 million gallons per day throughout a re-occurrence of the worst drought on record while still maintaining adequate river flows through release of stored waters to support the ecological systems and wildlife that are dependent upon adequate stream flows in the River Basin.

The Source Water Protection Fund has a positive environmental impact by providing greater protection to water quality and quantity in the Raritan River Basin through real estate acquisitions, coordinated government land management practices, and remedial projects.

The Capital Fund Component has a positive environmental impact by ensuring that sufficient funds are available to maintain the system of water delivery. Proper maintenance of the reservoirs and the Delaware and Raritan Canal ensures that statutory passing flows are maintained in the Raritan River Basin, and that the Delaware and Raritan Canal is capable of passing 100 million gallons of water daily from the Delaware River at Bulls Island to the Raritan River at Landing Lane in New Brunswick.

#### Federal Standards Statement

N.J.S.A. 52:14B-1 et seq. (P.L. 1995, c. 65), requires administrative agencies that adopt, readopt, or amend any rule or regulation to which the statutes apply to provide a comparison with Federal law, and to provide further discussion and analysis (including a cost-benefit analysis) if the standards or requirements by the agency exceed standards or requirements imposed by Federal law.

These amendments are promulgated under the procedures of the Authority. The Authority is an instrumentality of the State of New Jersey in, but not of, the Department of Environmental Protection. The Authority is charged with the operation and management of the State-owned raw water supply facilities within the State of New Jersey.

These amendments are not proposed under the authority of, or in order to implement, comply with, or participate in any program established under Federal law. In addition, the proposed amendments are not under the authority of a State statute that incorporates or refers to Federal law,

Federal standards, or Federal requirements. Therefore, no Federal standards analysis is required.

#### Jobs Impact

The only proposed amendments update references to the fiscal year. The implementation of these amendments is not anticipated to result in the generation or loss of jobs.

#### Agriculture Industry Impact

In accordance with P.L. 1998, c. 48, which amends the Right to Farm Act, and in accordance with N.J.S.A. 52:14B-4(a)(2), which requires that an Agriculture Industry Impact statement be included in a rule proposal, the Authority has evaluated this rulemaking to determine the nature and extent of the impact of the proposed amendments on the agriculture industry. Agriculture is impacted to the extent that farms and other agricultural users receive water allocations from the Department of Environmental Protection and contract with the New Jersey Water Supply Authority for the purchase of water as a condition of the water allocation permit. The proposed amendments only change fiscal year references with no change in water rates. Accordingly, no impacts on the agriculture industry are anticipated.

#### Regulatory Flexibility Statement

In accordance with the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., the Authority has determined that the proposed amendments will not impose reporting, recordkeeping, or other compliance requirements on small businesses because they affect only the rates charged to users for water purchased from the Authority. The water companies that contract to purchase water from the Authority and are impacted by these rules do not qualify as "small businesses" pursuant to N.J.S.A. 52:14B-16 et seq., because all employ more than 100 full-time employees.

#### Housing Affordability Impact Analysis

In accordance with N.J.S.A. 52:14B-4, as amended effective July 17, 2008, by P.L. 2008, c. 46, the Authority has evaluated the proposed amendments for the purposes of determining their impact, if any, on the affordability of housing. The Authority has determined that the proposed amendments will impose no impact because there is no likelihood that the rules will evoke a change in the average costs associated with housing. The Authority finds that the proposed amendments do not change land use policies or the nature and scope of the rules, as the proposed amendments only change fiscal year references with no change in water rates.

#### Smart Growth Development Impact Analysis

In accordance with N.J.S.A. 52:14B-4, as amended effective July 17, 2008, by P.L. 2008, c. 46, the Authority has evaluated the proposed amendments for purposes of determining their impact, if any, on smart growth development. The Authority has determined that the proposed amendments will impose no impact because it is not likely that the rules will evoke a change in housing production within Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plans. The Authority finds that the proposed amendments do not change land use policies or the nature and scope of the rules, as the proposed amendments only change fiscal year references with no change in water rate.

#### Racial and Ethnic Community Criminal Justice and Public Safety Impact

The Authority has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 2. SCHEDULE OF RATES, CHARGES, AND DEBT SERVICE ASSESSMENTS FOR THE SALE OF WATER FROM THE RARITAN BASIN SYSTEM

7:11-2.3 General rate schedule for operations and maintenance  
(a) (No change.)

(b) General rate schedule for operations and maintenance:

| <u>Period</u>                                  | <u>Allocation</u>             | <u>Rate/Million Gallons</u> |
|--|-------------------------------|-----------------------------|
| (State fiscal year unless otherwise indicated) |                               |                             |
| State fiscal year [2022] 2023                  | Million Gallons per Day (MGD) | \$194.00                    |

7:11-2.4 Debt service assessments

(a) (No change.)

(b) The following debt service assessment rate for the New Jersey Environmental Infrastructure Financing Program loans, based on a sales base of 182.339 million gallons per day, will be applied to all customers.

| <u>Period</u>                                  | <u>Allocation</u>             | <u>Rate/Million Gallons</u> |
|--|-------------------------------|-----------------------------|
| (State fiscal year unless otherwise indicated) |                               |                             |
| State fiscal year [2022] 2023                  | Million Gallons per Day (MGD) | \$85.00                     |

7:11-2.5 Capital Fund Component

(a)-(b) (No change.)

(c) Capital Fund Assessment

| <u>Period</u>                                  | <u>Allocation</u>             | <u>Rate/Million Gallons</u> |
|--|-------------------------------|-----------------------------|
| (State fiscal year unless otherwise indicated) |                               |                             |
| State fiscal year [2022] 2023                  | Million Gallons per Day (MGD) | \$33.00                     |

7:11-2.6 Source Water Protection Fund Component

(a) (No change.)

(b) Source Water Protection Fund Assessment

| <u>Period</u>                                  | <u>Allocation</u>             | <u>Rate/Million Gallons</u> |
|--|-------------------------------|-----------------------------|
| (State fiscal year unless otherwise indicated) |                               |                             |
| State fiscal year [2022] 2023                  | Million Gallons per Day (MGD) | \$24.00                     |

**(a)**

**NEW JERSEY WATER SUPPLY AUTHORITY  
Schedule of Rates, Charges, and Debt Service  
Assessments for the Sale of Water from the  
Manasquan Reservoir Water Supply System  
Proposed Amendments: N.J.A.C. 7:11-4.3, 4.4, 4.5,  
and 4.6**

Authorized By: New Jersey Water Supply Authority, Shawn M. LaTourette, Chair, and Commissioner, Department of Environmental Protection.

Authority: N.J.S.A. 58:1B-7.

Calendar Reference: See Summary below for explanation of the exception to the calendar requirement.

DEP Docket Number: 10-21-12.

Proposal Number: PRN 2022-005.

In accordance with N.J.A.C. 7:11-4.16(a), the New Jersey Water Supply Authority (Authority) will hold a pre-public hearing meeting on January 6, 2022, at 11:00 A.M. and a public hearing on February 3, 2022,

at 11:00 A.M. concerning this notice of proposal. The location of the pre-public hearing meeting and the public hearing will depend on the status of the COVID-19 pandemic.

Further information on the pre-public hearing meeting and on the public hearing will be posted on the Authority's website at <https://www.njwsa.org/public-notices.html> at least 15 days prior to the date of the meeting/hearing. Notice will also be sent to those who have subscribed to the Authority's rulemaking listserv. To subscribe, go to <https://www.njwsa.org/rate-proposals.html>.

Submit comments by March 4, 2022, electronically to the Authority at [info@njwsa.org](mailto:info@njwsa.org).

The Authority encourages electronic submittal of comments. In the alternative, comments may be submitted on paper to:

Marc Brooks  
Executive Director  
New Jersey Water Supply Authority  
Attention: DEP Docket No. 10-21-12  
1851 State Highway 31  
PO Box 5196  
Clinton, NJ 08809

The Basis and Background document, which is available at the Authority's website <http://www.njwsa.org>, explains in further detail the financial justification for the proposed rate schedule. The rules can also be viewed or downloaded from the Authority's website.

The agency proposal follows:

**Summary**

As the Authority has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

The Authority is proposing to amend its Schedule of Rates, Charges, and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System (System), to cover expenses for fiscal year (FY) 2023. The Authority operates on a July 1 to June 30 fiscal year. The amendments to specific aspects of the rate structure proposed in this rulemaking will result in no change to the overall rate of \$1,010.75 per million gallons (MG) for initial water purchase contract customers, and no change to the overall rate of \$1,124.67 per MG for delayed water purchase contract customers. The Authority anticipates the rates will be adopted operative July 1, 2022.

The general rate schedule for operations and maintenance (O&M) covers the operation expenses of the System. This component, set forth at N.J.A.C. 7:11-4.3, and incorporated in the standby charge at N.J.A.C. 7:11-4.13, was last adjusted operative July 1, 2020 (FY 2021), when the amount was increased from \$432.87 to \$445.82 per MG. (See 48 N.J.R. 19(a); 1065(a).) The Authority is proposing no change to the operations and maintenance component of \$445.82 per MG for FY 2023. The O&M component sales base of 19,443 million gallons per day (MGD) will remain the same for FY 2023.

The debt service component for FY 2022 for delayed water purchase contract customers, set forth at N.J.A.C. 7:11-4.4(c), was based on a sales base of 4,435 MGD. There is no change in the delayed water purchase sales base for FY 2023. The Authority is proposing no change to the delayed water purchase contract customer debt service component set forth at N.J.A.C. 7:11-4.4(b) of \$438.92 for FY 2023. The rate component will continue to allow the Authority to meet coverage of 120 percent of debt service required by the Authority's bond resolution. This rate is charged to all water purchasers who entered into a water purchase contract for uninterrupted service commencing subsequent to the System operation date.

A capital fund rate component was established in the Manasquan System in FY 2021 for initial water purchase contract customers (\$525.00 per MG) and delayed water purchase contracts (\$200.00 per MG) to provide for long-term capital needs that will allow for the proper maintenance, rehabilitation, and/or replacement of the System facilities. There will be no change in the FY 2023 rate for initial water purchase contract customers (\$525.00 per MG), found at N.J.A.C. 7:11-4.5(c), which will be charged to all uninterrupted service contracts executed prior to July 1, 1990, and to those water purchasers entering delayed water purchase contracts who pre-paid the total delayed water purchase

**Minutes of Pre-Public Hearing**  
**Meeting**

**Exhibit E**

# **New Jersey Water Supply Authority**

## **MINUTES**

Pre-Public Hearing Meeting - January 7, 2022

Schedule of Rates, Charges and Debt Service Assessments  
for the Sale of Water from the  
Raritan Basin System  
to become effective July 1, 2022

The Pre-Public Hearing Meeting was called to order by Susan Buckley, Director Finance and Administration, at 10:00 a.m. via Webex.

Authority staff members present were Marc Brooks, Executive Director, Susan Buckley, Director Administration and Finance, and Darin Shaffer, Chief Engineer.

There were no other attendees who joined the meeting. After waiting for a period of time to ensure no late arrivals, Ms. Buckley adjourned the meeting at 10:15 a.m.

**AGENDA**

**Pre-Public Hearing Meeting**

**January 7, 2022**

**Schedule of Rates, Charges and Debt Service Assessments  
for the Sale of Water from the  
Raritan Basin System**

**To become effective July 1, 2022 (FY23)**

**10:00 a.m. EST**

1. Greeting/Introduction
2. Review of Process and Future Events
3. Review of Proposed Adjustments to the Rate Schedule
4. Capital Improvement Program
5. Additional questions and answers



**SIGN IN SHEET  
NEW JERSEY WATER SUPPLY AUTHORITY  
Raritan Basin System  
Pre-Public Meeting**

Proposed Adjustments to the Schedule of Rates, Charges and  
Debt Service Assessments to Become Effective July 1, 2022

**JANUARY 7, 2022  
10:00 a.m.**

| <u>Name</u>   | <u>Affiliation</u> |
|---------------|--------------------|
| Susan Buckley | NJWSA              |
| Marc Brooks   | NJWSA              |
| Darin Shaffer | NJWSA              |

**Transcript of Public Hearing**

**Exhibit F**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

-----X

RARITAN BASIN SYSTEM

PUBLIC HEARING - FEBRUARY 4, 2022

-----X

DATED: FEBRUARY 4, 2022

TIME: 10:00 A.M.

TAKEN VIA WEBEX

BEFORE HEARING OFFICER, ELLSWORTH HAVENS

| 1  | EXHIBITS MARKED IN EVIDENCE: | PAGE                          |    |
|----|------------------------------|-------------------------------|----|
| 2  | P-1                          | January 7, 2022 Pre-public    | 5  |
| 3  |                              | hearing minutes.              |    |
| 4  |                              |                               |    |
| 5  | P-2                          | Notice of Publication.        | 5  |
| 6  |                              |                               |    |
| 7  | S-1                          | Basis and Background Document | 17 |
| 8  |                              | dated 11/1/21.                |    |
| 9  |                              |                               |    |
| 10 |                              |                               |    |
| 11 |                              |                               |    |
| 12 |                              |                               |    |
| 13 |                              |                               |    |
| 14 |                              |                               |    |
| 15 |                              |                               |    |
| 16 |                              |                               |    |
| 17 |                              |                               |    |
| 18 |                              |                               |    |
| 19 |                              |                               |    |
| 20 |                              |                               |    |
| 21 |                              |                               |    |
| 22 |                              |                               |    |
| 23 |                              |                               |    |
| 24 |                              |                               |    |
| 25 |                              |                               |    |

1 A P P E A R A N C E S :

2 Staff:

3 Marc Brooks, Executive Director.

4 Ms. Susan Buckley, Director, Finance and Administration.

5 Mr. Paul McKeon, Director, Manasquan Water Supply and Canal  
6 Operations.

7 Mr. Darin Shaffer, Chief Engineer.

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 HEARING OFFICER HAVENS: On behalf of  
2 the New Jersey Water Supply Authority, I would  
3 like to welcome you here this morning. My name  
4 is Ellsworth Havens. I am a Commissioner on  
5 the Authority Board and I am Chairman of the  
6 Authority's Capital Projects Committee and a  
7 member of the Personnel, Finance, Insurance and  
8 Public Participation Committees. I am serving  
9 as Hearing Officer for purposes of this public  
10 hearing.

11 Several members of the Authority's staff  
12 are present today and I would like to introduce  
13 them. Mr. Marc Brooks is the Executive  
14 Director. Ms. Susan Buckley is the Director  
15 Finance and Administration. Mr. Darin Shaffer  
16 is the Chief Engineer. It is requested that  
17 everyone present state your name and  
18 affiliation. If you would like to make a  
19 statement today, there will be a designated  
20 comment period later in the meeting.

21 The Authority has adopted extensive rate  
22 adjustment procedures found in the New Jersey  
23 Administrative Code at N.J.A.C. 7:11-2.13 and  
24 2.14, which provide for close contact with our  
25 water customers, the State Division of the

1 Ratepayer Advocate and other interested parties  
2 for the proposal of any rate adjustment. These  
3 procedures demonstrate the Authority's  
4 commitment to maintaining an active dialogue  
5 with the public, welcoming the input of  
6 interested parties and providing a forum for  
7 that input.

8 Official notice of the proposed rate  
9 adjustments for Fiscal Year 2022 2023 was  
10 mailed to the water users and all interested  
11 parties on December 16, 2021 and published in  
12 the New Jersey Register on January 3, 2022. On  
13 January 7, 2022 the required pre-public hearing  
14 meeting with our contractual water customers  
15 and interested parties was conducted. One  
16 individual, representing American Water, was in  
17 attendance at There were no attendees at the  
18 January 7, 2022 meeting. Ms. Buckley, do we  
19 have minutes from the pre-public hearing  
20 meeting of January 7, 2022?

21 MS. BUCKLEY: Yes, Mr. Chairman and I  
22 would like to enter the January 7, 2022  
23 pre-public hearing minutes into the record as  
24 Exhibit P-1.)

25 HEARING OFFICER HAVENS: Thank you Ms.

1 Buckley. Please mark the pre-public hearing  
2 minutes as Exhibit P-1. At this time, I will  
3 ask Ms. Buckley if we have proof of publication  
4 and mailing of the notice of this public  
5 hearing to present for the record.

6 MS. BUCKLEY: Yes, Mr. Chairman, we  
7 have certification that Notice of this public  
8 hearing was mailed to the Secretary of State,  
9 the Division of the Ratepayer Advocate, the  
10 news media maintaining a press office at the  
11 State House Complex, the Board of Public  
12 Utilities, the Authority's Contractual Water  
13 Purchasers and other interested parties on  
14 December 16, 2021 and advertised in the Star  
15 Ledger, Hunterdon County Democrat, and The  
16 Times (Trenton) on December 15, 2020 and  
17 in the Hunterdon County Democrat on December  
18 17, 2020. I would like to enter this  
19 Certification into the record as Exhibit P-2.

20 HEARING OFFICER HAVENS: Please mark  
21 this Certification as Exhibit P-2. Thank you  
22 Ms. Buckley.

23 (Whereupon the Certification was  
24 marked as Exhibit P-2)

25 HEARING OFFICER HAVENS: Ms. Buckley,



1 the Authority's Director of Finance and  
2 Administration, will now present an opening  
3 statement.

4 MS. BUCKLEY: Good Morning. The  
5 Authority is proposing to amend its Schedule of  
6 Rates, Charges and Debt Service Assessments for  
7 the Sale of Water from the Raritan Basin  
8 System, to cover expenses for Fiscal Year (FY)  
9 2023. The Authority operates on a July 1 to  
10 June 30 Fiscal Year. The only proposed  
11 amendments update references to the fiscal year  
12 from FY 2022 to FY 2023 and marginally reduce  
13 the sales base. No change to the overall rate  
14 of \$336.00 per MG is proposed. The Authority  
15 anticipates the rates will be adopted effective  
16 July 1, 2022. The General Rate Schedule for  
17 Operations and Maintenance was last adjusted  
18 effective July 1, 2020 2021 to cover the  
19 operating expenses of the System for the  
20 Authority's Fiscal Year 2022. In Fiscal Year  
21 2023, the Authority is recommending no change  
22 to the rate of \$194.00 per million gallons.  
23 The New Jersey Water Supply Authority is  
24 operating, maintaining and managing three  
25 distinct systems each with its own budget, cost

1           accountability and revenue stream. The Raritan  
2           Basin System and the Manasquan Reservoir Water  
3           Supply System are both untreated water supply  
4           systems. A Water Treatment Plant and  
5           Transmission System for the Southeast Monmouth  
6           Municipal Utilities Authority was constructed  
7           on Authority-owned property. The Authority's  
8           headquarters staff, located in Clinton,  
9           provides general and administrative support  
10          service for all three systems. In order to  
11          equitably assess each system, an outside  
12          auditing firm developed a methodology for the  
13          allocation of the headquarters general and  
14          administrative costs to each operating system.  
15          After the close of each fiscal year, the  
16          Authority's current Auditors provide their  
17          findings as to the need to adjust any of the  
18          allocation factors and the actual audited  
19          expenditures for the fiscal year. Independent  
20          auditors are reviewing the Authority's Fiscal  
21          Fiscal Year 2021 allocation calculation that  
22          results in an adjustment to be netted against  
23          the Fiscal Year 2023 budgeted allocation. A  
24          copy of the Auditor's report on the allocation  
25          of the headquarters' general and administrative

1 costs will be included in the rate proposal  
2 package for each system as  
3 available. Independent auditors have reviewed  
4 the Authority's Fiscal Year 2020 allocation  
5 calculation and they have provided necessary  
6 information on the adjustment of the Fiscal  
7 Year 2020 allocation as a credit or debit to be  
8 netted against the Fiscal Year 2022 budgeted  
9 allocation. A copy of the Auditor's report on  
10 the allocation of the headquarters' general and  
11 administrative costs is included in the rate  
12 proposal package for each system. Insurance  
13 costs are also allocated to each system based  
14 upon the recommendations of the Authority's  
15 risk management consultant. Each rate proposal  
16 package includes a summary table showing the  
17 proposed insurance budget amounts and the  
18 portions allocated to each of the three  
19 systems.

20 After all appropriate allocations to the  
21 Manasquan Water Supply System, the projected  
22 operating costs for the Raritan System for  
23 Fiscal Year 2022 2023 indicate that an  
24 Operations and Maintenance Component of \$194.00  
25 per million gallons would be required starting

1 on July 1, 2022. The sales base is decreasing  
2 slightly from 182.353 million gallons per day  
3 in Fiscal Year 2021 will remain at 182.339  
4 million gallons per day in Fiscal Year 2023.  
5 Overall operations and maintenance expenses are  
6 increasing, primarily as a result of  
7 contractual increases in salaries and fringe  
8 benefits which are negotiated at the state  
9 level. An increase in capital equipment  
10 expenditures is also forecasted. These  
11 increases are offset by an increase in the  
12 anticipated overhead allocation from Manasquan  
13 and the use of \$1,262,390 in unanticipated  
14 funds (composed of prior year budget surpluses  
15 and overdraft revenues) to balance the budget.

16 The Authority established a "Capital Fund  
17 Component" commencing on July 1, 1994. This  
18 component is used to fund the Authority's  
19 current Capital Improvement Program without  
20 incurring long-term debt. The Capital Fund  
21 Component assessment of \$33.00 per million  
22 gallons for Fiscal Year 2023 will not change  
23 based on funding needs with respect to the  
24 five-year Capital Improvement Program.

25 The Authority established the "Source

1 Water Protection Fund" in Fiscal Year 2003 to  
2 protect the quality and quantity of waters in  
3 the Raritan Basin System, and dedicated \$5.00  
4 per million gallons for administrative costs  
5 associated with acquisition of critical  
6 watershed parcels and watershed planning  
7 programs in the Raritan River Basin. That  
8 component was increased to \$10.00 per million  
9 gallons in Fiscal Year 2004, to \$13.00 per  
10 million gallons in Fiscal Year 2006, to \$15.00  
11 per million gallons in Fiscal Year 2008 and to  
12 \$24.00 per million gallons in FY2014.

13 Seventeen (\$17.00) dollars of the Source Water  
14 Protection Fund component is used exclusively  
15 for payment of debt service on the direct  
16 acquisition of critical watershed parcels in  
17 the Raritan Basin by the Authority and for  
18 contributions toward acquisition soft costs by  
19 other entities. The Source Water Protection  
20 Fund Component will remain at \$24.00 per  
21 million gallons for Fiscal Year 2023.

22 The Authority has submitted an application  
23 to the New Jersey Environmental Infrastructure  
24 Financing Program ("NJEIFP") to finance the  
25 dredging of 240,000 cubic yards from a

1 10.5-mile segment of the Delaware and Raritan  
2 Canal ("D&R Canal") between Kingston at Lincoln  
3 Highway to Amwell Road in Franklin Township,  
4 Somerset County, New Jersey. This project is  
5 was expected to cost approximately \$50,000,000  
6 and last in duration up to three years. In  
7 fiscal year 2021 the interim note was converted  
8 to permanent long-term financing with the New  
9 Jersey Infrastructure Bank (the successor of  
10 the NJEIFP) and the State of New Jersey for a  
11 total amount of approximately \$36,000,000 at a  
12 blended interest rate of .41%. Actual project  
13 costs were lower than expected, causing the  
14 final loan amount to be lower than originally  
15 anticipated.

16 Funding through the NJEIFP will allow a  
17 portion of the loan to be at zero interest and  
18 a portion of the loan to be at market rate with  
19 the blended rate at favorable terms. The  
20 project commenced in Fiscal Year 2018.

21 In Fiscal Year 2019, the Authority  
22 commenced the Round Valley Dam Rehabilitation  
23 project to maintain and repair the three  
24 embankments at the Round Valley Reservoir. The  
25 Authority has filed an application with NJEIFP

1 to finance the rehabilitation project, which is  
2 estimated to cost in excess of \$75 million.  
3 The debt service on this project requires an  
4 assessment of \$60 per million gallons of the  
5 total \$85 Debt Service Rate component. The Debt  
6 Service Rate Component assessment of \$85.00 per  
7 million gallons will not change in Fiscal Year  
8 2023. The absence of component changes results  
9 in no change to the total rate of \$336.00 per  
10 million gallons in Fiscal Year 2023. The  
11 Authority's procedure for rate adjustment is  
12 found in the New Jersey Administrative Code at  
13 N.J.A.C. 7:11-2.14 ("The Regulations"). This  
14 procedure became effective on April 2, 1984.  
15 The rate adjustment procedures require the  
16 Authority to give official notice and an  
17 explanation outlining the need for proposed  
18 rate adjustments pursuant to the Regulations at  
19 least six (6) months prior to the proposed  
20 effective date.

21 The Authority's Commissioners formally  
22 proposed the publication of the rate adjustment  
23 for Fiscal Year 2023 at their regular monthly  
24 business meeting on November 21, 2021. The  
25 final Basis and Background Statement was posted

1 on the Authority's Website on October 16, 2021.  
2 Mr. Havens, I request that this Basis and  
3 Background Document be entered into the record  
4 as Exhibit S-1.

5 (Whereupon the Basis and  
6 Background Document be entered  
7 into the record as Exhibit S-1.)

8 MS. BUCKLEY: The Authority's rate  
9 adjustment procedures provide that the  
10 contractual water customers and interested  
11 parties be provided the opportunity to meet  
12 with Authority staff at a pre-public hearing  
13 meeting in order to be presented with an  
14 explanation of the formal proposal. This  
15 pre-public hearing meeting must be scheduled  
16 within forty-five (45) days after the official  
17 notice of a proposed rate adjustment is sent. A  
18 "Notice of Public Hearing" was mailed on  
19 December 16, 2021 to contractual water  
20 customers and other interested parties,  
21 informing them of the pre-public hearing and  
22 public hearing scheduled for January 7 and  
23 February 4, 2022 respectively, via Webex.

24 Additionally, on December 16, 2021 notice  
25 of the Pre-Public Hearing and this Public



1 Hearing was published in The Times (Trenton, )  
2 and the Star Ledger, and on December 17, 2020  
3 in the Hunterdon Democrat. Notice of the  
4 proposed rate adjustment and the public hearing  
5 schedule also appeared in the January 4, 2022  
6 issue of the New Jersey Register. The  
7 Pre-Public hearing was conducted on January 7,  
8 2022, and there were no one attendees at  
9 this hearing.

10 The Authority's regulations state that  
11 interested parties may submit written questions  
12 for inclusion in the hearing record, and if  
13 submitted no later than 15 days prior to the  
14 public hearing, Authority staff, at today's  
15 meeting, must provide answers to the questions.  
16 The Authority will also provide a complete  
17 response to any questions received subsequent  
18 to the 15-day deadline and up to and including  
19 March 15, 2022, the closing date for the  
20 hearing record. In addition, any party may  
21 direct questions and follow-up to Authority  
22 staff at the public hearing. In the event a  
23 response cannot be immediately given today, a  
24 written response shall be prepared within ten  
25 (10) business days of this public hearing and a

1 copy of that written response shall be provided  
2 to all contractual water customers, the  
3 Division of the Ratepayer Advocate, the Board  
4 of Public Utilities and attendees at the  
5 meeting requesting the same and the response  
6 shall be made a part of the hearing record.

7 Comments received before the close of the New  
8 Jersey Register comment period on March 4, 2022  
9 will also be incorporated into the record.

10 Finally, within ten (10) working days  
11 after receipt of the answer, contractual water  
12 customers, the Division of the Ratepayer  
13 Advocate, the Board of Public Utilities and  
14 attendees will be permitted to respond in  
15 writing to the answers of the staff for the  
16 record.

17 After the hearing record is closed and the  
18 New Jersey Register comment period expires, a  
19 Hearing Officer's report, which shall include  
20 findings of fact and specific responses to all  
21 issues and questions raised during the public  
22 hearing proceedings, will be prepared and  
23 submitted to the entire Authority prior to the  
24 Authority taking final action on the proposal.  
25

1           Mr. Havens, this concludes the Authority's  
2 opening statement.

3                           (Whereupon the Basis and  
4 Background Document dated  
5 11/21/21 was marked as Exhibit  
6 S-1.)

7           HEARING OFFICER HAVENS: Thank you,  
8 Ms. Buckley. Ms. Buckley, have we received any  
9 written or verbal communications for inclusion  
10 in the public hearing record?

11           MS. BUCKLEY: No, Mr. Chairman, we  
12 have not.

13           HEARING OFFICER HAVENS: Ms. Buckley,  
14 are there any additional proposed Rule changes  
15 not associated with the changes to existing  
16 Rates?

17           MS. BUCKLEY: No, Mr. Chairman, there  
18 are not.

19           HEARING OFFICER HAVENS: Thank you,  
20 Ms. Buckley. Next on the agenda is Authority  
21 staff answers to questions raised prior to  
22 today's hearing. Ms. Buckley, has the  
23 Authority received any questions prior to  
24 today's hearing?

25           MS. BUCKLEY: No questions have been

1 received prior to today's hearing.

2 HEARING OFFICER HAVENS: Thank you,  
3 Ms. Buckley. We are now prepared to enter oral  
4 statements, written statements and/or any other  
5 supporting evidence by all interested parties  
6 into the record. At this time I would like to  
7 invite anyone who would like to make a  
8 statement to state your name and affiliation.

9 Let the record reflect that I have not  
10 received any statements from any member of the  
11 public.

12 We will now entertain questions and, if  
13 possible today, hear the responses by Authority  
14 staff. Does any member of the public have  
15 questions for staff?

16 After the New Jersey Register comment  
17 period closes on March 4, 2022, and the hearing  
18 record is closed on March 15, 2022, I, as the  
19 Hearing Officer will prepare a report of my  
20 findings, based solely on the record of the  
21 proceedings, which shall include findings of  
22 fact and specific responses to all issues and  
23 questions raised during these proceedings. My  
24 Hearing Officer's report will be submitted to  
25 the Authority and presented to the Authority's

1 Board for final action on the proposal.  
2 Written comments may be submitted until the end  
3 of hearing record period on March 15, 2022.

4 I anticipate that the Authority will take  
5 final action on these proposed Rates at its  
6 regular monthly business meeting on May 2,  
7 2022. The Authority appreciates your  
8 attendance here today. This Public Hearing is  
9 adjourned.

10 (Whereupon the proceedings were  
11 concluded.)

12 (Continued on next page for  
13 certification.)

14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

C E R T I F I C A T I O N

I, Luann Galarza, a Certified Court  
Reporter of the State of New Jersey, License  
No. 30X100234600, do hereby certify that the  
foregoing is a true and accurate transcript of  
my stenographic notes of the within  
proceedings, to the best of my ability.

-----  
Luann M. Galarza, CCR, RPR  
License No.: 30X100234600

Dated: FEBRUARY 5, 2022

|                                      |   |   |  |   |
|--------------------------------------|---|---|--|---|
|                                      | 4:22;5:2;8:22;9:6;<br>13:11,15,22;14:9,17;<br>15:4              | <b>assess (1)</b><br>8:11   | 12:12,19   | <b>Comments (2)</b><br>16:7;19:2                                  |
| <b>\$</b>                            |   | <b>assessment (3)</b><br>10:21;13:4,6   | <b>Board (5)</b><br>4:5;6:11;16:3,13;<br>19:1  | <b>Commissioner (1)</b><br>4:4                                    |
| <b>\$1,262,390 (1)</b><br>10:13      | <b>adjustments (2)</b><br>5:9;13:18                             | <b>Assessments (1)</b><br>7:6   | <b>both (1)</b><br>8:3   | <b>Commissioners (1)</b><br>13:21                                 |
| <b>\$10.00 (1)</b><br>11:8           | <b>Administration (2)</b><br>4:15;7:2                           | <b>associated (2)</b><br>11:5;17:15   | <b>Brooks (1)</b><br>4:13  | <b>commitment (1)</b><br>5:4                                      |
| <b>\$13.00 (1)</b><br>11:9           | <b>Administrative (7)</b><br>4:23;8:9,14,25;<br>9:11;11:4;13:12 | <b>attendance (2)</b><br>5:17;19:8  | <b>Buckley (19)</b><br>4:14;5:18,21;6:1,3,<br>6,22,25;7:4;14:8;<br>17:8,8,11,13,17,20,22,<br>25;18:3 | <b>Committee (1)</b><br>4:6                                       |
| <b>\$15.00 (1)</b><br>11:10          | <b>adopted (2)</b><br>4:21;7:15                                 | <b>attendees (4)</b><br>5:17;15:8;16:4,14   | <b>budget (4)</b><br>7:25;9:17;10:14,15  | <b>Committees (1)</b><br>4:8                                      |
| <b>\$17.00 (1)</b><br>11:13          | <b>advertised (1)</b><br>6:14                                   | <b>audited (1)</b><br>8:18  | <b>budgeted (2)</b><br>8:23;9:8  | <b>communications (1)</b><br>17:9                                 |
| <b>\$194.00 (2)</b><br>7:22;9:24     | <b>Advocate (4)</b><br>5:1;6:9;16:3,13                          | <b>auditing (1)</b><br>8:12   | <b>business (3)</b><br>13:24;15:25;19:6  | <b>complete (1)</b><br>15:16                                      |
| <b>\$24.00 (2)</b><br>11:12,20       | <b>affiliation (2)</b><br>4:18;18:8                             | <b>Auditors (3)</b><br>8:16,20;9:3  | <b>business (3)</b><br>13:24;15:25;19:6  | <b>Complex (1)</b><br>6:11  |
| <b>\$33.00 (1)</b><br>10:21          | <b>against (2)</b><br>8:22;9:8                                  | <b>Auditor's (2)</b><br>8:24;9:9  | <b>C</b>   | <b>Component (10)</b><br>9:24;10:17,18,21;<br>11:8,14,20;13:5,6,8 |
| <b>\$336.00 (2)</b><br>7:14;13:9     | <b>agenda (1)</b><br>17:20                                      | <b>Authority (28)</b><br>4:2,5,21;7:5,9,14,<br>21,23;8:6;10:16,25;<br>11:17,22;12:21,25;<br>13:16;14:12;15:14,<br>16,21;16:23,24;17:20,<br>23;18:13,25;19:4,7 |  | <b>composed (1)</b><br>10:14                                      |
| <b>\$36,000,000 (1)</b><br>12:11     | <b>allocated (2)</b><br>9:13,18                                 | <b>Authority's (8)</b><br>4:6;7:1;8:16,20;<br>9:4;13:21;15:10;17:1  | <b>calculation (2)</b><br>8:21;9:5   | <b>concluded (1)</b><br>19:11                                     |
| <b>\$5.00 (1)</b><br>11:3            | <b>allocation (10)</b><br>8:13,18,21,23,24;<br>9:4,7,9,10;10:12 | <b>Authority-owned (1)</b><br>8:7   | <b>Canal (2)</b><br>12:2,2   | <b>concludes (1)</b><br>17:1                                      |
| <b>\$50,000,000 (1)</b><br>12:5      | <b>allocations (1)</b><br>9:20                                  | <b>Authority's (11)</b><br>4:11;5:3;6:12;7:20;<br>8:7;9:14;10:18;13:11;<br>14:1,8;18:25   | <b>Capital (6)</b><br>4:6;10:9,16,19,20,<br>24   | <b>conducted (2)</b><br>5:15;15:7                                 |
| <b>\$60 (1)</b><br>13:4              | <b>allow (1)</b><br>12:16                                       | <b>availableIndependent (1)</b><br>9:3  | <b>causing (1)</b><br>12:13  | <b>constructed (1)</b><br>8:6                                     |
| <b>\$75 (1)</b><br>13:2              | <b>amend (1)</b><br>7:5   |   | <b>certification (5)</b><br>6:7,19,21,23;19:13   | <b>consultant (1)</b><br>9:15                                     |
| <b>\$85 (1)</b><br>13:5              | <b>amendments (1)</b><br>7:11                                   |   | <b>Chairman (5)</b><br>4:5;5:21;6:6;17:11,<br>17   | <b>contact (1)</b><br>4:24  |
| <b>\$85.00 (1)</b><br>13:6           | <b>American (1)</b><br>5:16                                     |   | <b>change (5)</b><br>7:13,21;10:22;13:7,<br>9  | <b>Continued (1)</b><br>19:12                                     |
| <b>A</b>                             | <b>amount (2)</b><br>12:11,14                                   | <b>B</b>  | <b>changes (3)</b><br>13:8;17:14,15  | <b>contractual (7)</b><br>5:14;6:12;10:7;<br>14:10,19;16:2,11     |
| <b>absence (1)</b><br>13:8           | <b>amounts (1)</b><br>9:17                                      | <b>Background (4)</b><br>13:25;14:3,6;17:4  | <b>Charges (1)</b><br>7:6  | <b>contributions (1)</b><br>11:18                                 |
| <b>accountability (1)</b><br>8:1     | <b>Amwell (1)</b><br>12:3                                       | <b>balance (1)</b><br>10:15   | <b>Chief (1)</b><br>4:16   | <b>converted (1)</b><br>12:7                                      |
| <b>acquisition (3)</b><br>11:5,16,18 | <b>and/or (1)</b><br>18:4                                       | <b>Bank (1)</b><br>12:9   | <b>Clinton (1)</b><br>8:8  | <b>copy (3)</b><br>8:24;9:9;16:1                                  |
| <b>action (3)</b><br>16:24;19:1,5    | <b>anticipate (1)</b><br>19:4                                   | <b>base (2)</b><br>7:13;10:1  | <b>close (3)</b><br>4:24;8:15;16:7   | <b>cost (3)</b><br>7:25;12:5;13:2                                 |
| <b>active (1)</b><br>5:4             | <b>anticipated (2)</b><br>10:12;12:15                           | <b>based (3)</b><br>9:13;10:23;18:20  | <b>closed (2)</b><br>16:17;18:18   | <b>costs (8)</b><br>8:14;9:1,11,13,22;<br>11:4,18;12:13           |
| <b>actual (2)</b><br>8:18;12:12      | <b>anticipates (1)</b><br>7:15                                  | <b>BASIN (6)</b><br>1:2;7:7;8:2;11:3,7,<br>17   | <b>closes (1)</b><br>18:17   | <b>County (3)</b><br>6:15,17;12:4                                 |
| <b>addition (1)</b><br>15:20         | <b>appeared (1)</b><br>15:5                                     | <b>Basis (4)</b><br>13:25;14:2,5;17:3   | <b>closing (1)</b><br>15:19  | <b>cover (2)</b><br>7:8,18  |
| <b>additional (1)</b><br>17:14       | <b>application (2)</b><br>11:22;12:25                           | <b>became (1)</b><br>13:14  | <b>Code (2)</b><br>4:23;13:12  | <b>credit (1)</b><br>9:7  |
| <b>Additionally (1)</b><br>14:24     | <b>appreciates (1)</b><br>19:7                                  | <b>behalf (1)</b><br>4:1  | <b>commenced (2)</b><br>12:20,22   | <b>critical (2)</b><br>11:5,16                                    |
| <b>adjourned (1)</b><br>19:9         | <b>appropriate (1)</b><br>9:20                                  | <b>benefits (1)</b><br>10:8   | <b>commencing (1)</b><br>10:17   | <b>cubic (1)</b><br>11:25   |
| <b>adjust (1)</b><br>8:17            | <b>approximately (2)</b><br>12:5,11                             | <b>blended (2)</b>  | <b>comment (4)</b><br>4:20;16:8,18;18:16   | <b>current (2)</b><br>8:16;10:19                                  |
| <b>adjusted (1)</b><br>7:17          | <b>April (1)</b><br>13:14                                       |   |  |   |
| <b>adjustment (10)</b>               |   |   |  |   |

|  |  |  |  |  |
|--|--|--|--|--|
| <p><b>customers (6)</b><br/>4:25;5:14;14:10,20;<br/>16:2,12</p>  | <p><b>during (2)</b><br/>16:21;18:23</p>   | <p>4:21</p>  | <p>7:8,12,12<br/><b>FY2014 (1)</b><br/>11:12</p>   | <p><b>increase (2)</b><br/>10:9,11<br/><b>increased (1)</b><br/>11:8<br/><b>increases (2)</b><br/>10:7,11<br/><b>increasing (1)</b><br/>10:6<br/><b>incurring (1)</b><br/>10:20<br/><b>Independent (1)</b><br/>8:19<br/><b>indicate (1)</b><br/>9:23<br/><b>individual (1)</b><br/>5:16<br/><b>information (1)</b><br/>9:6<br/><b>informing (1)</b><br/>14:21<br/><b>Infrastructure (2)</b><br/>11:23;12:9<br/><b>input (2)</b><br/>5:5,7<br/><b>Insurance (3)</b><br/>4:7;9:12,17<br/><b>interest (2)</b><br/>12:12,17<br/><b>interested (9)</b><br/>5:1,6,10,15;6:13;<br/>14:10,20;15:11;18:5<br/><b>interim (1)</b><br/>12:7<br/><b>into (6)</b><br/>5:23;6:19;14:3,7;<br/>16:9;18:6<br/><b>introduce (1)</b><br/>4:12<br/><b>invite (1)</b><br/>18:7<br/><b>issue (1)</b><br/>15:6<br/><b>issues (2)</b><br/>16:21;18:22</p> |
| <p><b>D</b></p>  | <p><b>E</b></p>  | <p><b>F</b></p>  | <p><b>G</b></p>  |  |
| <p><b>D&amp;R (1)</b><br/>12:2<br/><b>Dam (1)</b><br/>12:22<br/><b>Darin (1)</b><br/>4:15<br/><b>date (2)</b><br/>13:20;15:19<br/><b>DATED (2)</b><br/>1:5;17:4<br/><b>day (2)</b><br/>10:2,4<br/><b>days (4)</b><br/>14:16;15:13,25;<br/>16:10<br/><b>deadline (1)</b><br/>15:18<br/><b>debit (1)</b><br/>9:7<br/><b>Debt (6)</b><br/>7:6;10:20;11:15;<br/>13:3,5,5<br/><b>December (7)</b><br/>5:11;6:14,16,17;<br/>14:19,24;15:2<br/><b>decreasing (1)</b><br/>10:1<br/><b>dedicated (1)</b><br/>11:3<br/><b>Delaware (1)</b><br/>12:1<br/><b>Democrat (3)</b><br/>6:15,17;15:3<br/><b>demonstrate (1)</b><br/>5:3<br/><b>designated (1)</b><br/>4:19<br/><b>developed (1)</b><br/>8:12<br/><b>dialogue (1)</b><br/>5:4<br/><b>direct (2)</b><br/>11:15;15:21<br/><b>Director (3)</b><br/>4:14,14;7:1<br/><b>distinct (1)</b><br/>7:25<br/><b>Division (4)</b><br/>4:25;6:9;16:3,12<br/><b>Document (3)</b><br/>14:3,6;17:4<br/><b>dollars (1)</b><br/>11:13<br/><b>dredging (1)</b><br/>11:25<br/><b>duration (1)</b><br/>12:6</p> | <p><b>effective (4)</b><br/>7:15,18;13:14,20<br/><b>ELLSWORTH (2)</b><br/>1:9;4:4<br/><b>embankments (1)</b><br/>12:24<br/><b>end (1)</b><br/>19:2<br/><b>Engineer (1)</b><br/>4:16<br/><b>enter (3)</b><br/>5:22;6:18;18:3<br/><b>entered (2)</b><br/>14:3,6<br/><b>entertain (1)</b><br/>18:12<br/><b>entire (1)</b><br/>16:23<br/><b>entities (1)</b><br/>11:19<br/><b>Environmental (1)</b><br/>11:23<br/><b>equipment (1)</b><br/>10:9<br/><b>equitably (1)</b><br/>8:11<br/><b>established (2)</b><br/>10:16,25<br/><b>estimated (1)</b><br/>13:2<br/><b>event (1)</b><br/>15:22<br/><b>everyone (1)</b><br/>4:17<br/><b>evidence (1)</b><br/>18:5<br/><b>excess (1)</b><br/>13:2<br/><b>exclusively (1)</b><br/>11:14<br/><b>Executive (1)</b><br/>4:13<br/><b>Exhibit (8)</b><br/>5:24;6:2,19,21,24;<br/>14:4,7;17:5<br/><b>existing (1)</b><br/>17:15<br/><b>expected (2)</b><br/>12:5,13<br/><b>expenditures (2)</b><br/>8:19;10:10<br/><b>expenses (3)</b><br/>7:8,19;10:5<br/><b>expires (1)</b><br/>16:18<br/><b>explanation (2)</b><br/>13:17;14:14<br/><b>extensive (1)</b></p> | <p><b>fact (2)</b><br/>16:20;18:22<br/><b>factors (1)</b><br/>8:18<br/><b>favorable (1)</b><br/>12:19<br/><b>FEBRUARY (3)</b><br/>1:3,5;14:23<br/><b>filed (1)</b><br/>12:25<br/><b>final (5)</b><br/>12:14;13:25;16:24;<br/>19:1,5<br/><b>Finally (1)</b><br/>16:10<br/><b>Finance (5)</b><br/>4:7,15;7:1;11:24;<br/>13:1<br/><b>Financing (2)</b><br/>11:24;12:8<br/><b>findings (4)</b><br/>8:17;16:20;18:20,<br/>21<br/><b>firm (1)</b><br/>8:12<br/><b>Fiscal (29)</b><br/>5:9;7:8,10,11,20,<br/>20;8:15,19,20,21,23;<br/>9:4,6,8,23;10:3,4,22;<br/>11:1,9,10,11,21;12:7,<br/>20,21;13:7,10,23<br/><b>five-year (1)</b><br/>10:24<br/><b>follow-up (1)</b><br/>15:21<br/><b>forecasted (1)</b><br/>10:10<br/><b>formal (1)</b><br/>14:14<br/><b>formally (1)</b><br/>13:21<br/><b>forty-five (1)</b><br/>14:16<br/><b>forum (1)</b><br/>5:6<br/><b>found (2)</b><br/>4:22;13:12<br/><b>Franklin (1)</b><br/>12:3<br/><b>fringe (1)</b><br/>10:7<br/><b>Fund (6)</b><br/>10:16,18,20;11:1,<br/>14,20<br/><b>funding (2)</b><br/>10:23;12:16<br/><b>funds (1)</b><br/>10:14<br/><b>FY (3)</b></p> | <p><b>gallons (14)</b><br/>7:22;9:25;10:2,4,<br/>22;11:4,9,10,11,12,<br/>21;13:4,7,10<br/><b>General (5)</b><br/>7:16;8:9,13,25;9:10<br/><b>given (1)</b><br/>15:23<br/><b>Good (1)</b><br/>7:4</p> <p><b>H</b></p> <p><b>HAVENS (12)</b><br/>1:9;4:1,4,5;25;6:20,<br/>25;14:2;17:1,7,13,19;<br/>18:2<br/><b>headquarters (2)</b><br/>8:8,13<br/><b>headquarters' (2)</b><br/>8:25;9:10<br/><b>hear (1)</b><br/>18:13<br/><b>HEARING (46)</b><br/>1:3,9;4:1,9,10;5:13,<br/>19,23,25;6:1,5,8,20,<br/>25;14:12,15,18,21,22,<br/>25;15:1,4,7,9,12,14,<br/>20,22,25;16:6,17,19,<br/>22;17:7,10,13,19,22,<br/>24;18:1,2,17,19,24;<br/>19:3,8<br/><b>Highway (1)</b><br/>12:3<br/><b>House (1)</b><br/>6:11<br/><b>Hunterdon (3)</b><br/>6:15,17;15:3</p> <p><b>I</b></p> <p><b>immediately (1)</b><br/>15:23<br/><b>Improvement (2)</b><br/>10:19,24<br/><b>include (2)</b><br/>16:19;18:21<br/><b>included (2)</b><br/>9:1,11<br/><b>includes (1)</b><br/>9:16<br/><b>including (1)</b><br/>15:18<br/><b>inclusion (2)</b><br/>15:12;17:9<br/><b>incorporated (1)</b><br/>16:9</p> | <p><b>H</b></p> <p><b>I</b></p> <p><b>J</b></p> <p><b>January (8)</b><br/>5:12,13,18,20,22;<br/>14:22;15:5,7<br/><b>Jersey (13)</b><br/>4:2,22;5:12;7:23;<br/>11:23;12:4,9,10;<br/>13:12;15:6;16:8,18;<br/>18:16<br/><b>July (5)</b><br/>7:9,16,18;10:1,17<br/><b>June (1)</b><br/>7:10</p> <p><b>K</b></p> <p><b>Kingston (1)</b></p>   |



|  |  |  |  |   |
|--|--|--|--|---|
| 12:2   | 4:20;5:14,18,20;<br>13:24;14:13,15;<br>15:15;16:5;19:6                                   | 13:24  | 11:6,16  | 16:22;18:21,23;<br>19:10  |
| <b>L</b>   | <b>member (3)</b>  | <b>O</b>   | <b>part (1)</b>  | <b>Program (3)</b>  |
| <b>last (2)</b><br>7:17;12:6                     | 4:7;18:10,14   | <b>October (1)</b><br>14:1   | 16:6   | 10:19,24;11:24  |
| <b>later (2)</b><br>4:20;15:13                   | <b>members (1)</b><br>4:11   | <b>office (1)</b><br>6:10  | <b>Participation (1)</b><br>4:8  | <b>programs (1)</b><br>11:7   |
| <b>least (1)</b><br>13:19                        | <b>methodology (1)</b><br>8:12   | <b>OFFICER (11)</b><br>1:9;4:1,9;5:25;6:20,<br>25;17:7,13,19;18:2,19 | <b>parties (9)</b><br>5:1,6,11,15;6:13;<br>14:11,20;15:11;18:5               | <b>project (6)</b><br>12:4,12,20,23;13:1,<br>3  |
| <b>Ledger (2)</b><br>6:15;15:2                   | <b>MG (1)</b><br>7:14  | <b>Officer's (1)</b><br>16:19  | <b>party (1)</b><br>15:20  | <b>projected (1)</b><br>9:21  |
| <b>level (1)</b><br>10:9                         | <b>million (15)</b><br>7:22;9:25;10:2,4,<br>21;11:4,8,10,11,12,<br>21;13:2,4,7,10        | <b>Officer's (1)</b><br>18:24  | <b>payment (1)</b><br>11:15  | <b>Projects (1)</b><br>4:6  |
| <b>Lincoln (1)</b><br>12:2                       | <b>minutes (3)</b><br>5:19,23;6:2  | <b>Official (3)</b><br>5:8;13:16;14:16                               | <b>per (15)</b><br>7:14,22;9:25;10:2,<br>4,21;11:4,8,9,11,12,<br>20;13:4,6,9 | <b>proof (1)</b><br>6:3   |
| <b>loan (3)</b><br>12:14,17,18                   | <b>Monmouth (1)</b><br>8:5   | <b>offset (1)</b><br>10:11   | <b>period (5)</b><br>4:20;16:8,18;18:17;<br>19:3                             | <b>property (1)</b><br>8:7  |
| <b>located (1)</b><br>8:8                        | <b>monthly (2)</b><br>13:23;19:6   | <b>One (2)</b><br>5:15;15:8  | <b>permanent (1)</b><br>12:8   | <b>proposal (7)</b><br>5:2;9:1,12,15;<br>14:14;16:24;19:1   |
| <b>long-term (2)</b><br>10:20;12:8               | <b>months (1)</b><br>13:19   | <b>only (1)</b><br>7:10  | <b>permitted (1)</b><br>16:14  | <b>proposed (11)</b><br>5:8;7:10,14;9:17;<br>13:17,19,22;14:17;<br>15:4;17:14;19:5                                |
| <b>lower (2)</b><br>12:13,14                     | <b>morning (2)</b><br>4:3;7:4  | <b>opening (2)</b><br>7:2;17:2                                       | <b>Personnel (1)</b><br>4:7  | <b>proposing (1)</b><br>7:5   |
| <b>M</b>   | <b>Municipal (1)</b><br>8:6  | <b>operates (1)</b><br>7:9   | <b>planning (1)</b><br>11:6  | <b>protect (1)</b><br>11:2  |
| <b>mailed (3)</b><br>5:10;6:8;14:18              | <b>must (2)</b><br>14:15;15:15   | <b>operating (4)</b><br>7:19,24;8:14;9:22                            | <b>Plant (1)</b><br>8:4  | <b>Protection (3)</b><br>11:1,14,19   |
| <b>mailing (1)</b><br>6:4                        | <b>N</b>   | <b>Operations (3)</b><br>7:17;9:24;10:5                              | <b>Please (2)</b><br>6:1,20  | <b>provide (5)</b><br>4:24;8:16;14:9;<br>15:15,16   |
| <b>maintain (1)</b><br>12:23                     | <b>name (3)</b><br>4:3,17;18:8   | <b>opportunity (1)</b><br>14:11                                      | <b>portion (2)</b><br>12:17,18   | <b>provided (3)</b><br>9:5;14:11;16:1   |
| <b>maintaining (3)</b><br>5:4;6:10;7:24          | <b>necessary (1)</b><br>9:5  | <b>oral (1)</b><br>18:3  | <b>portions (1)</b><br>9:18  | <b>provides (1)</b><br>8:9  |
| <b>Maintenance (3)</b><br>7:17;9:24;10:5         | <b>need (2)</b><br>8:17;13:17  | <b>order (2)</b><br>8:10;14:13                                       | <b>possible (1)</b><br>18:13   | <b>providing (1)</b><br>5:6   |
| <b>management (1)</b><br>9:15                    | <b>needs (1)</b><br>10:23  | <b>originally (1)</b><br>12:14                                       | <b>posted (1)</b><br>13:25   | <b>PUBLIC (21)</b><br>1:3;4:8,9;5:5;6:4,7,<br>11;14:18,22,25;15:4,<br>14,22,25;16:4,13,21;<br>17:10;18:11,14;19:8 |
| <b>managing (1)</b><br>7:24                      | <b>negotiated (1)</b><br>10:8  | <b>outlining (1)</b><br>13:17  | <b>prepare (1)</b><br>18:19  | <b>publication (2)</b><br>6:3;13:22   |
| <b>Manasquan (3)</b><br>8:2;9:21;10:12           | <b>netted (2)</b><br>8:22;9:8  | <b>outside (1)</b><br>8:11   | <b>prepared (3)</b><br>15:24;16:22;18:3                                      | <b>published (2)</b><br>5:11;15:1   |
| <b>Marc (1)</b><br>4:13                          | <b>New (13)</b><br>4:2,22;5:12;7:23;<br>11:23;12:4,8,10;<br>13:12;15:6;16:7,18;<br>18:16 | <b>overall (2)</b><br>7:13;10:5                                      | <b>pre-public (9)</b><br>5:13,19,23;6:1;<br>14:12,15,21,25;15:7              | <b>Purchasers (1)</b><br>6:13   |
| <b>March (5)</b><br>15:19;16:8;18:17,<br>18;19:3 | <b>news (1)</b><br>6:10  | <b>overdraft (1)</b><br>10:15  | <b>present (4)</b><br>4:12,17;6:5;7:2  | <b>purposes (1)</b><br>4:9  |
| <b>marginally (1)</b><br>7:12                    | <b>Next (2)</b><br>17:20;19:12   | <b>overhead (1)</b><br>10:12   | <b>presented (2)</b><br>14:13;18:25  | <b>pursuant (1)</b><br>13:18  |
| <b>mark (2)</b><br>6:1,20                        | <b>NJAC (2)</b><br>4:23;13:13  | <b>own (1)</b><br>7:25   | <b>press (1)</b><br>6:10   | <b>Q</b>  |
| <b>marked (2)</b><br>6:24;17:5                   | <b>NJEIFP (4)</b><br>11:24;12:10,16,25   | <b>P</b>   | <b>primarily (1)</b><br>10:6   | <b>quality (1)</b><br>11:2  |
| <b>market (1)</b><br>12:18                       | <b>note (1)</b><br>12:7  | <b>P-1 (2)</b><br>5:24;6:2   | <b>prior (7)</b><br>10:14;13:19;15:13;<br>16:23;17:21,23;18:1                | <b>quantity (1)</b><br>11:2   |
| <b>may (4)</b><br>15:11,20;19:2,6                | <b>notice (8)</b><br>5:8;6:4,7;13:16;<br>14:17,18,24;15:3                                | <b>P-2 (3)</b><br>6:19,21,24   | <b>procedure (2)</b><br>13:11,14   |   |
| <b>media (1)</b><br>6:10                         | <b>November (1)</b>  | <b>package (3)</b><br>9:2,12,16                                      | <b>procedures (4)</b><br>4:22;5:3;13:15;<br>14:9                             |   |
| <b>meet (1)</b><br>14:11                         |  | <b>page (1)</b><br>19:12   | <b>proceedings (4)</b>   |   |
| <b>meeting (10)</b>                              |  | <b>parcels (2)</b>   |  |   |

|  |  |  |  |  |
|--|--|--|--|--|
| <b>R</b>   | <p><b>required (2)</b><br/>5:13;9:25</p> <p><b>requires (1)</b><br/>13:3</p> <p><b>Reservoir (2)</b><br/>8:2;12:24</p> <p><b>respect (1)</b><br/>10:23</p> <p><b>respectively (1)</b><br/>14:23</p> <p><b>respond (1)</b><br/>16:14</p> <p><b>response (5)</b><br/>15:17,23,24;16:1,5</p> <p><b>responses (3)</b><br/>16:20;18:13,22</p> <p><b>result (1)</b><br/>10:6</p> <p><b>results (2)</b><br/>8:22;13:8</p> <p><b>revenue (1)</b><br/>8:1</p> <p><b>revenues (1)</b><br/>10:15</p> <p><b>reviewed (1)</b><br/>9:3</p> <p><b>reviewing (1)</b><br/>8:20</p> <p><b>risk (1)</b><br/>9:15</p> <p><b>River (1)</b><br/>11:7</p> <p><b>Road (1)</b><br/>12:3</p> <p><b>Round (2)</b><br/>12:22,24</p> <p><b>Rule (1)</b><br/>17:14</p> | <p>13:3,5,6</p> <p><b>servicing (1)</b><br/>4:8</p> <p><b>Seventeen (1)</b><br/>11:13</p> <p><b>Several (1)</b><br/>4:11</p> <p><b>Shaffer (1)</b><br/>4:15</p> <p><b>shall (5)</b><br/>15:24;16:1,6,19;<br/>18:21</p> <p><b>showing (1)</b><br/>9:16</p> <p><b>six (1)</b><br/>13:19</p> <p><b>slightly (1)</b><br/>10:2</p> <p><b>soft (1)</b><br/>11:18</p> <p><b>solely (1)</b><br/>18:20</p> <p><b>Somerset (1)</b><br/>12:4</p> <p><b>Source (3)</b><br/>10:25;11:13,19</p> <p><b>Southeast (1)</b><br/>8:5</p> <p><b>specific (2)</b><br/>16:20;18:22</p> <p><b>staff (9)</b><br/>4:11;8:8;14:12;<br/>15:14,22;16:15;<br/>17:21;18:14,15</p> <p><b>Star (2)</b><br/>6:14;15:2</p> <p><b>starting (1)</b><br/>9:25</p> <p><b>state (8)</b><br/>4:17,25;6:8,11;<br/>10:8;12:10;15:10;<br/>18:8</p> <p><b>statement (5)</b><br/>4:19;7:3;13:25;<br/>17:2;18:8</p> <p><b>statements (3)</b><br/>18:4,4,10</p> <p><b>stream (1)</b><br/>8:1</p> <p><b>submit (1)</b><br/>15:11</p> <p><b>submitted (5)</b><br/>11:22;15:13;16:23;<br/>18:24;19:2</p> <p><b>subsequent (1)</b><br/>15:17</p> <p><b>successor (1)</b><br/>12:9</p> <p><b>summary (1)</b><br/>9:16</p> <p><b>Supply (5)</b><br/>4:2;7:23;8:3,3;9:21</p> <p><b>support (1)</b></p> | <p>8:9</p> <p><b>supporting (1)</b><br/>18:5</p> <p><b>surpluses (1)</b><br/>10:14</p> <p><b>Susan (1)</b><br/>4:14</p> <p><b>SYSTEM (14)</b><br/>1:2;7:8,19;8:2,3,5,<br/>11,14;9:2,12,13,21,<br/>22;11:3</p> <p><b>systems (4)</b><br/>7:25;8:4,10;9:19</p>   | <p><b>users (1)</b><br/>5:10</p> <p><b>Utilities (4)</b><br/>6:12;8:6;16:4,13</p>  |
|  | <b>S</b>   |  | <b>T</b>   | <b>V</b>   |
| <p><b>raised (3)</b><br/>16:21;17:21;18:23</p> <p><b>RARITAN (8)</b><br/>1:2;7:7;8:1;9:22;<br/>11:3,7,17;12:1</p> <p><b>rate (22)</b><br/>4:21;5:2,8;7:13,16,<br/>22;9:1,11,15;12:12,<br/>18,19;13:5,6,9,11,15,<br/>18,22;14:8,17;15:4</p> <p><b>Ratepayer (4)</b><br/>5:1;6:9;16:3,12</p> <p><b>Rates (4)</b><br/>7:6,15;17:16;19:5</p> <p><b>receipt (1)</b><br/>16:11</p> <p><b>received (6)</b><br/>15:17;16:7;17:8,23;<br/>18:1,10</p> <p><b>recommendations (1)</b><br/>9:14</p> <p><b>recommending (1)</b><br/>7:21</p> <p><b>record (17)</b><br/>5:23;6:5,19;14:3,7;<br/>15:12,20;16:6,9,16,<br/>17;17:10;18:6,9,18,<br/>20;19:3</p> <p><b>reduce (1)</b><br/>7:12</p> <p><b>references (1)</b><br/>7:11</p> <p><b>reflect (1)</b><br/>18:9</p> <p><b>Register (5)</b><br/>5:12;15:6;16:8,18;<br/>18:16</p> <p><b>regular (2)</b><br/>13:23;19:6</p> <p><b>Regulations (3)</b><br/>13:13,18;15:10</p> <p><b>Rehabilitation (2)</b><br/>12:22;13:1</p> <p><b>remain (2)</b><br/>10:3;11:20</p> <p><b>repair (1)</b><br/>12:23</p> <p><b>report (5)</b><br/>8:24;9:9;16:19;<br/>18:19,24</p> <p><b>representing (1)</b><br/>5:16</p> <p><b>request (1)</b><br/>14:2</p> <p><b>requested (1)</b><br/>4:16</p> <p><b>requesting (1)</b><br/>16:5</p> <p><b>require (1)</b><br/>13:15</p> | <p><b>S-1 (3)</b><br/>14:4,7;17:6</p> <p><b>salaries (1)</b><br/>10:7</p> <p><b>Sale (1)</b><br/>7:7</p> <p><b>sales (2)</b><br/>7:13;10:1</p> <p><b>same (1)</b><br/>16:5</p> <p><b>Schedule (3)</b><br/>7:5,16;15:5</p> <p><b>scheduled (2)</b><br/>14:15,22</p> <p><b>Secretary (1)</b><br/>6:8</p> <p><b>segment (1)</b><br/>12:1</p> <p><b>sent (1)</b><br/>14:17</p> <p><b>Service (6)</b><br/>7:6;8:10;11:15;</p>   | <p><b>table (1)</b><br/>9:16</p> <p><b>ten (2)</b><br/>15:24;16:10</p> <p><b>terms (1)</b><br/>12:19</p> <p><b>three (5)</b><br/>7:24;8:10;9:18;<br/>12:6,23</p> <p><b>Times (2)</b><br/>6:16;15:1</p> <p><b>today (5)</b><br/>4:12,19;15:23;<br/>18:13;19:8</p> <p><b>today's (3)</b><br/>15:14;17:24;18:1</p> <p><b>today's (1)</b><br/>17:22</p> <p><b>total (3)</b><br/>12:11;13:5,9</p> <p><b>toward (1)</b><br/>11:18</p> <p><b>Township (1)</b><br/>12:3</p> <p><b>Transmission (1)</b><br/>8:5</p> <p><b>Treatment (1)</b><br/>8:4</p> <p><b>Trenton (2)</b><br/>6:16;15:1</p>   | <p><b>Water (19)</b><br/>4:2,25;5:10,14,16;<br/>6:12;7:7,23;8:2,3,4;<br/>9:21;11:1,13,19;<br/>14:10,19;16:2,11</p> <p><b>waters (1)</b><br/>11:2</p> <p><b>watershed (3)</b><br/>11:6,6,16</p> <p><b>WEBEX (2)</b><br/>1:7;14:23</p> <p><b>Website (1)</b><br/>14:1</p> <p><b>welcome (1)</b><br/>4:3</p> <p><b>welcoming (1)</b><br/>5:5</p> <p><b>Whereupon (4)</b><br/>6:23;14:5;17:3;<br/>19:10</p> <p><b>within (3)</b><br/>14:16;15:24;16:10</p> <p><b>without (1)</b><br/>10:19</p> <p><b>working (1)</b><br/>16:10</p> <p><b>writing (1)</b><br/>16:15</p> <p><b>written (6)</b><br/>15:11,24;16:1;17:9;<br/>18:4;19:2</p> |  |
|  |  |  | <b>U</b>   | <b>W</b>   |
|  |  |  | <p><b>unanticipated (1)</b><br/>10:13</p> <p><b>untreated (1)</b><br/>8:3</p> <p><b>up (2)</b><br/>12:6;15:18</p> <p><b>update (1)</b><br/>7:11</p> <p><b>upon (1)</b><br/>9:14</p> <p><b>use (1)</b><br/>10:13</p> <p><b>used (2)</b><br/>10:18;11:14</p>   | <p><b>Valley (2)</b><br/>12:22,24</p> <p><b>verbal (1)</b><br/>17:9</p> <p><b>VIA (2)</b><br/>1:7;14:23</p>  |
|  |  |  |  | <b>Y</b>   |
|  |  |  |  | <p><b>yards (1)</b><br/>11:25</p> <p><b>Year (29)</b><br/>5:9;7:8,10,11,20,<br/>20;8:15,19,21,23;9:4,<br/>7,8,23;10:3,4,14,22;<br/>11:1,9,10,11,21;12:7,<br/>20,21;13:7,10,23</p> <p><b>years (1)</b><br/>12:6</p> |
|  |  |  |  | <b>Z</b>   |

|  |   |  |  |  |
|--|---|--|--|--|
| zero (1)<br>12:17  | <b>2022 (22)</b><br>1:3,5;5:9,12,13,20,<br>22;7:12,16,20;9:8,23;<br>10:1;14:23;15:5,8,19;<br>16:8;18:17,18;19:3,7 |  |  |  |
| <b>1</b>   |   |  |  |  |
| <b>1 (5)</b><br>7:9,16,18;10:1,17  | <b>20221 (1)</b><br>5:18  |  |  |  |
| <b>10 (2)</b><br>15:25;16:10   | <b>2023 (12)</b><br>5:9;7:9,12,21;8:23;<br>9:23;10:4,22;11:21;<br>13:8,10,23                                      |  |  |  |
| <b>10.5-mile (1)</b><br>12:1   |   |  |  |  |
| <b>10:00 (1)</b><br>1:6  | <b>21 (1)</b><br>13:24  |  |  |  |
| <b>11/21/21 (1)</b><br>17:5  | <b>240,000 (1)</b><br>11:25   |  |  |  |
| <b>15 (4)</b><br>15:13,19;18:18;<br>19:3                                   | <b>3</b>  |  |  |  |
| <b>1516 (1)</b><br>6:16  | <b>3 (1)</b><br>5:12  |  |  |  |
| <b>15-day (1)</b><br>15:18   | <b>30 (1)</b><br>7:10   |  |  |  |
| <b>16 (5)</b><br>5:11;6:14;14:1,19,<br>24                                  | <b>4</b>  |  |  |  |
| <b>17 (2)</b><br>6:18;15:2   | <b>4 (6)</b><br>1:3,5;14:23;15:5;<br>16:8;18:17   |  |  |  |
| <b>182.339 (1)</b><br>10:3   | <b>41% (1)</b><br>12:12   |  |  |  |
| <b>182.353 (1)</b><br>10:2   | <b>45 (1)</b><br>14:16  |  |  |  |
| <b>1984 (1)</b><br>13:14   |   |  |  |  |
| <b>1994 (1)</b><br>10:17   | <b>6</b>  |  |  |  |
| <b>2</b>   | <b>6 (1)</b><br>13:19   |  |  |  |
| <b>2 (2)</b><br>13:14;19:6   | <b>7</b>  |  |  |  |
| <b>2.14 (1)</b><br>4:24  | <b>7 (5)</b><br>5:13,20,22;14:22;<br>15:7   |  |  |  |
| <b>2003 (1)</b><br>11:1  | <b>7:11-2.13 (1)</b><br>4:23  |  |  |  |
| <b>2004 (1)</b><br>11:9  | <b>7:11-2.14 (1)</b><br>13:13   |  |  |  |
| <b>2006 (1)</b><br>11:10   | <b>78 (1)</b><br>5:18   |  |  |  |
| <b>2008 (1)</b><br>11:11   |   |  |  |  |
| <b>2018 (1)</b><br>12:20   |   |  |  |  |
| <b>2019 (1)</b><br>12:21   |   |  |  |  |
| <b>2020 (6)</b><br>6:16,18;7:18;9:4,7;<br>15:2                             |   |  |  |  |
| <b>2021 (10)</b><br>5:11;6:14;7:18;<br>8:21;10:3;12:7;13:24;<br>14:1,19,24 |   |  |  |  |
| <b>2021and (1)</b><br>6:16   |   |  |  |  |

# Correspondence and Testimony

## Exhibit G

**NO CORRESPONDENCE RECEIVED**

**Staff Memorandum to Hearing Officer**

**Exhibit H**



# NEW JERSEY WATER SUPPLY AUTHORITY

---

P.O. BOX 5196 • CLINTON, N.J. 08809 • (908) 638-6121 • (908) 638-5241 (FAX)

March 16, 2022

## MEMORANDUM

TO: Mr. Ellsworth Havens  
Hearing Officer

FROM: Marc Brooks, Executive Director  
New Jersey Water Supply Authority

SUBJECT: Proposed adjustments to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System (N.J.A.C. 7:11-2.1, et seq.)

Please be advised that subsequent to the Authority's public hearing of February 4, 2022, there were no inquiries regarding the Raritan Basin System FY2023 rate proposal received by the Authority.

Staff has analyzed the budget of the original rate package for any revisions that should be considered prior to final action of the Authority at the May 2, 2022 meeting. There will be no change to any component of the rates as proposed at the November 1, 2021 Authority meeting.

The total rate (O&M plus Debt Service, Capital Fund, and Source Water Protection Component) of \$336.00 per million gallons will apply to all customers in FY2023 (starting July 1, 2022) and results in no change over FY2022.

NEW JERSEY WATER SUPPLY AUTHORITY

RARITAN BASIN SYSTEM  
FISCAL YEAR 2023 (7/1/22-6/30/23)

**REVISIONS TO ORIGINAL RATE PACKAGE**

|    |           |  |
|----|-----------|--|
| 1. | No Change |  |
|    |           |  |



Draft Resolution Adopting Rate  
Adjustments

Exhibit I

RESOLUTION OF THE NEW JERSEY WATER SUPPLY AUTHORITY

No.: \_\_\_\_\_

DATE OF ADOPTION: \_\_\_\_\_

TITLE: Resolution adopting revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System, to become effective July 1, 2022 (regulations found at N.J.A.C. 7:11-2.1 et seq.)

WHEREAS, N.J.S.A. 58:1B-7g and 58:1B-19 provide for the Authority to fix and revise from time to time its rates, fees and charges; and

WHEREAS, the Authority has estimated its revenue requirements for the fiscal year beginning on July 1, 2022; and

WHEREAS, by Resolution No. 2513 adopted on November 1, 2021 the Authority proposed certain revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System, to become effective July 1, 2022 (regulations found at N.J.A.C. 7:11-2.1 et seq.); and

WHEREAS, the proposal was mailed to all contractual water purchasers in December 2021, and published in the Hunterdon County Democrat, the Times (Trenton) and the Star Ledger on December 16, 2021, and appeared in the New Jersey Register on January 3, 2022 with a 60 day comment period ending March 4, 2022; and

WHEREAS, a pre-public hearing meeting was conducted on the proposed amendments on January 7, 2022; and

WHEREAS, the Authority conducted a public hearing on the proposed amendments on February 4, 2022 with the hearing record remaining open through March 15, 2022; and

WHEREAS, the Authority's Hearing Officer, after having reviewed and considered the testimony received during the rate making process, did submit a Hearing Officer's Report to the Authority together with recommendations; and

WHEREAS, the Authority must provide for sufficient revenues and a rate structure to cover its costs.

NOW THEREFORE, be it resolved that the New Jersey Water Supply Authority adopts the Hearing Officer's Report entitled "Fiscal Year 2023 Proposed Amendments to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System, effective July 1, 2022;" and

BE IT FURTHER RESOLVED that the New Jersey Water Supply Authority adopts the following amendments to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System, found at N.J.A.C. 7:11-2.1 et seq. to become effective on July 1, 2022:

1. Amend N.J.A.C. 7:11-2.3 of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System, to maintain the sales base of 183.339 mgd for the Operations and Maintenance Expense Rate ("O&M") Component and to reflect no change to the O&M rate of \$194.00 per million gallons, consistent with the

Initial Proposal, for the period July 1, 2022 through June 30, 2023; and

2. Amend N.J.A.C. 7:11-2.4(a), (b) and (c) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Raritan Basin System to maintain the sales base for the Debt Service Assessment rate of 183.339 million gallons per day and maintain the Debt Service Assessment Component of the rate of \$85.00 per million gallons, consistent with the Initial Proposal, for the period of July 1, 2022 through June 30, 2023; and

3. Amend N.J.A.C. 7:11-2.5, the Capital Fund Component, to maintain the rate at \$33.00 per million gallons effective July 1, 2022 through June 30, 2023, no change from the original FY2023 proposal of \$33.00 per million gallons; and

4. Amend N.J.A.C. 7:11-2.6, the Source Water Protection Fund Rate Component, to maintain the rate at \$24.00 per million gallons, effective July 1, 2022 through June 30, 2023, no change from the original FY2023 proposal of \$24.00 per million gallons; and

BE IT FURTHER RESOLVED, that the following actions are authorized:

1. Appropriate \$870,000 in prior year-end fund balances from the Operating Fund into the Rate Stabilization Fund.
2. Appropriate \$200,000 in Source Water Protection funds for salary/fringe grant expenditures from the Source Water

Protection Fund into the Rate Stabilization Fund.

3. Appropriate \$216,340 in unanticipated revenue from overdraft sales from the Operating Fund into the Rate Stabilization Fund.
4. Apply \$1,286,340 appropriated into the Rate Stabilization Fund to the Operating Fund for Fiscal Year 2023.

Draft Resolution Adopting FY2021  
Budget

Exhibit J

RESOLUTION OF THE NEW JERSEY WATER SUPPLY AUTHORITY

NO.: \_\_\_\_\_

DATE OF ADOPTION: \_\_\_\_\_

TITLE: Resolution approving the Authority's Raritan Basin System Budget for Fiscal Year 2023 (July 1, 2022 - June 30, 2023).

WHEREAS, the Executive Director proposed a budget for Fiscal Year 2023, that was provided to the Authority Members on May 2, 2022; and

WHEREAS, the Authority has previously considered the proposed budget as part of the Rate Adjustment procedure for Fiscal Year 2023, and the adopted rate schedule for Fiscal Year 2023 is based upon the proposed budget requirements in the amount of \$23,771,552;

NOW THEREFORE, be it resolved that the Authority approves a budget of \$23,771,552 for the Fiscal Year beginning July 1, 2022 through June 30, 2023.