

NEW JERSEY WATER SUPPLY AUTHORITY

HEARING OFFICER'S REPORT

AMENDMENTS TO N.J.A.C. 7:11-4.1, et seq. IN THE SCHEDULE OF  
RATES, CHARGES AND DEBT SERVICE ASSESSMENTS  
FOR THE SALE OF WATER FROM THE  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

ADJUSTMENT OF OPERATIONS AND MAINTENANCE EXPENSE COMPONENT TO  
REFLECT NO CHANGE IN SALES BASE AND COMPONENT RATE  
FOR FISCAL YEAR 2023

ADJUSTMENT OF SOURCE WATER PROTECTION FUND COMPONENT TO  
REFLECT NO CHANGE IN COMPONENT RATE  
FOR FISCAL YEAR 2023

ADJUSTMENT OF DEBT SERVICE COST COMPONENT TO  
REFLECT BOND YEAR PAYMENTS DUE AND REQUIRED  
FOR FISCAL YEAR 2023

ADJUSTMENT OF NJEIFP DEBT COMPONENT TO  
REFLECT BOND YEAR PAYMENTS DUE AND REQUIRED  
FOR FISCAL YEAR 2023

ADDITION OF CAPITAL FUND COMPONENT RATE FOR INITIAL AND DELAYED  
WATER PURCHASE CONTRACT CUSTOMERS FOR FISCAL YEAR 2023

Effective Date: July 1, 2022

Hearing Officer: Jeffrey Hoffman

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## I. INTRODUCTION

### **Summary:**

Staff has proposed amendments to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir Water Supply System N.J.A.C. 7:11-4.1 et seq., (the "Rules") for Fiscal Year (FY) 2023 (Final Proposal). As set forth more fully below, I recommend approval of staff's Final Proposal.

### **Background:**

The New Jersey Water Supply Authority ("Authority") has proposed amendments to its Rules to ensure it maintains an adequate revenue structure for the Authority's FY2023 operations and to adjust the Debt Service Assessment on the Manasquan Reservoir Water Supply System loans to reflect the bond year payments due.

The Authority operates and maintains the Manasquan Reservoir Water Supply System including the intake facilities located in Wall Township on Hospital Road, the Manasquan Reservoir located in Howell Township and 5¼ miles of 66-inch diameter pipeline, which connects the Intake Facilities to the Manasquan Reservoir. Thirteen publicly owned and investor owned water utilities purchase 19.443 million gallons per day ("mgd") of untreated water effective July 1, 2017 from the Manasquan Reservoir Water Supply System.

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 new system and the existing Raritan Basin System, the Authority also commenced operating a water treatment plant and transmission system for the Monmouth County Improvement Authority ("MCIA") on July 1, 1990. 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. On September 2, 2009, the Southeast Monmouth Municipal Utilities Authority ("SMMUA") purchased the system from the MCIA on behalf of the member municipalities. The Authority continues to operate the treatment/transmission system for SMMUA and as a result, operates, maintains and manages 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, procurement, contract administration, risk management and overall management.

In order to equitably assess each of the three Systems, the Authority retained the services of a recognized public accounting 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 Auditor provides the Authority with its findings as to the adjustment of the allocation factors, if any, and the actual audited expenditures for the fiscal year.

The audit report is available in October (for the previous fiscal year ending on the preceding June 30). At that time the Authority formulates the proposed budgets for the upcoming fiscal year commencing 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 budget being prepared each September for the upcoming fiscal year starting on July 1.

The Authority's FY2021 audit was delayed and is currently being performed by an independent auditor and includes a review of allocation factors and actual expenditures. The anticipated adjustments have been made to the FY2023 budget based on the FY2021 allocation factors.

A copy of the Auditor's report on the allocation of the headquarters general and administrative costs will be included in 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. Each rate proposal package includes a summary table showing the proposed insurance budget amounts and the portions allocated to each of the three Systems.

Detailed budgets have been prepared for the Manasquan Reservoir Water Supply System and the Water Treatment Plant/Transmission System. Each System's budget has three main categories of annual operational expenses in addition to the allocation of headquarters overhead. The three categories include salaries and fringe benefits, direct operations and maintenance

("O&M") expenses, and general and administrative expenses. The Basis and Background document supplied to contractual water customers and other interested parties provides detailed information including a summary of the projected line item budget figures for general and administrative expenses and O&M expenses for FY2023.

The total charge for the water supply consists of an O&M rate, a Debt Service Cost Component, a Source Water Protection Component, the New Jersey Environmental Infrastructure Financing Program ("NJEIFP") Component, and the Capital Fund Component. The O&M Rate is the amount of revenue necessary to fund the net budget requirement (operating expenses, headquarters, general and administrative expenses, capital equipment, reserve contributions, and salary & fringe adjustments) less miscellaneous and unanticipated revenues, and the previous fiscal year's final quarterly O&M payment received during the budgeted fiscal year. The NJEIFP Component will be used to retire loans to the State and the New Jersey Environmental Infrastructure Trust for funds borrowed to construct a building over the Intake Pump Station.

The General Rate Schedule for O&M was last adjusted effective July 1, 2021 to cover the operating expenses of the System for FY2022. The FY2022 sales base was 19.443 mgd, and was projected to remain the same in FY2023 in the November 2021 Basis and Background Statement. In FY2023, the O&M rate component will remain at \$445.82, representing no change versus FY2022.

The Debt Service Cost Component of the total rate is calculated each year to cover the payments due on the outstanding debt for the System. The Debt Service Cost Component was established effective July 1, 1990 to cover the Bond year payments on the initial loan of \$63,600,000 at a set interest rate of 7.15 percent and the payment for the interim completion loan of \$7,416,000 at an interest rate of 7.16 percent.

During FY1992 the State of New Jersey issued bonds for the \$7,416,000 completion loan at an interest rate of 6.24 percent and the Debt Service Cost Component was adjusted to reflect the lower interest rate on the completion loan bonds.

During FY1997, the Authority negotiated an agreement with the State of New Jersey, which reduced the interest rate on the \$63,600,000 in original State loan notes from 7.15 percent to 5.93 percent effective for the payments due on or after August, 1998.

In August 2005, the Authority refunded the current portion of the State Loan Notes and the Completion Notes at an average coupon of 4.83 percent and net present value savings of \$6.187 million. The term of the bonds was 25 years. The bond proceeds also fully funded the Debt Service Reserve Account and the debt service coverage was required to remain at 120 percent through the life of the bonds.

In July of 2006, the Authority issued \$90,147.57 and \$9,505.40 Current State Loan Notes and Completion Loan Notes respectively for a delayed water purchase contract for .028 million gallons per day. The debt service for the notes associated with this water purchase contract was paid through the Debt Service Cost Component of the initial rate and with funds held in escrow by the Authority, contributed by the water purchase customer for this purpose.

The 2005 Bonds were eligible for a current refunding after August 1, 2015 and on April 26, 2016 the Authority issued \$17,460,000 in Manasquan Reservoir Water Supply System Refunding Bonds, Series 2016, to refund the 2005 Bonds and the 2006 State Loan and Completion Loan Notes. The Bonds were issued at an average coupon of 3.78 percent and an economic gain of \$3.0 million. The term of the refunded bonds was not extended, for a remaining term of 15 years. The bond proceeds also fully funded the Debt Service Reserve Account and debt service coverage must remain at 120 percent through the life of the bonds. The Debt Service Cost Component of the rate for the delayed water purchase contracts will be \$438.92/mg. This reflects no change relative to the November 2021 Initial Proposal.

The Source Water Protection Fund Component of the rate for FY2023 of \$15.00/mg is no change over FY2022, and will not change relative to staff's November 2021 proposal.

The rate component for FY2023 of \$24.93/mg for repayment of debt to the NJEIFP will not change relative to staff's November 2021 proposal.

The Authority has established a Capital Fund Rate Component to generate funds for long-term, large-scale capital improvements and/or replacements in the Manasquan system. For FY2023, this component will remain at \$525.00/mg for initial water purchase contracts and \$200.00/mg for delayed water purchase contracts, no change versus FY2022, and no change relative to staff's November 2021 proposal.

## **Rate Setting Procedure:**

The formal rate adjustment proposal was authorized at the Authority's November 1, 2021 monthly meeting (Initial Proposal). The resolution is set forth in Exhibit A.

As a component of the formal rate adjustment procedure, the Authority provides official notice and an explanation outlining the need for the proposed rate adjustment 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 proposal's effective date (N.J.A.C. 7:11-4.13(a) (1)). Staff's November 2021 proposal (included in Exhibit B) was available for review on the Authority's web site on December 16, 2021.

Official notice of the Initial Proposal was made through advertisement in the Asbury Park Press, the Times (Trenton) and the Star Ledger. 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).

The 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. 7:11-4.13(a) (4), that was conducted by the Director of Finance and Administration on January 6, 2022. No members of the public were in attendance. Minutes of the pre-public hearing meeting are set forth in Exhibit E.

A public hearing was conducted on February 3, 2022 at 11:00 a.m., via the WebEx meeting platform. No members of the public were in attendance. A stenographic record of the proceedings was made and is attached in Exhibit F.

There were no items of public comment or correspondence received during the rate process or prior to the close of the Public Comment Period.

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

A draft resolution by the Authority's Board approving the Rule proposal is set forth in Exhibit I for 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

Staff proposes various adjustments to the Rules, which are generally discussed herein and more particularly set forth in the attachments hereto.

### A. Initial Water Purchase Rate.

In staff's Final Proposal, staff recommends a total rate of \$1,010.75/mg effective July 1, 2022. This reflects no change versus the FY2022 rate and remains the same relative to staff's Initial Proposal. The sales base for the initial water purchase contracts remains the same at 15.008 mgd in FY2023, and is no change from the Initial Proposal.

The O&M Component for FY2023, \$445.82/mg, reflects no change to the FY2022 rate and there is no change from the Initial Proposal. The proposed operating expense budget for FY2023 is \$57,820 more than FY2022, due primarily to contractual salary and fringe benefit increases as well as higher insurance and sediment removal expense. The proposed Capital Equipment Budget is \$100 higher than FY2022. There is a \$10,000 contribution to the Sediment Reserve, a \$15,000 contribution to the High Voltage Testing Reserve, a \$5,000 contribution to the Formal Dam Inspection Reserve and a \$120,000 contribution to the Renewal and Replacement Fund. Interest income is expected to decrease from \$43,300 in FY2022 to \$26,600 in FY2023. Staff anticipates virtually no change in the net budget requirement for the O&M Component during FY2023, consistent with the Initial Proposal.

The FY2023 Operations and Maintenance Component will continue to be subsidized by unanticipated revenues raised in the prior fiscal year, consisting of overdraft revenues, net year-end balance, and excess debt service coverage, in the amount of \$584,130.

With the allocation of appropriate Headquarters General and Administrative costs to the System, the projected operating costs for FY2023 indicate that an O&M rate component of \$445.82/mg is

required commencing July 1, 2022. This represents no increase relative to FY2022 and no increase relative to the Initial Proposal.

The Source Water Protection Assessment was established at \$15.00/mg on July 1, 2003, to protect the quality and quantity of water in the Manasquan Water Supply System. The fund is used for three purposes in cooperation with State, local and nonprofit partners: (1) administrative assistance in the preservation of those properties in the Manasquan River Basin that are critical to the long-term protection of water quality and quantity in the Manasquan Reservoir Water Supply System as they may affect Authority customers; (2) improved management of land development by municipal, county and State government to protect both water quality and flows to and within Authority facilities; and (3) remedial projects to improve water quality from existing conditions. This rate component was decreased to \$10.00/mg in FY2016. In order to ensure adequate funding for Source Water Protection initiatives, the Source Water Protection Assessment was reinstated to \$15.00/mg in FY2018. The proposed FY2023 rate is \$15.00/mg, which represents no change relative to FY2022 and no change from the Initial Proposal.

The New Jersey Environmental Infrastructure Trust Financing Program ("NJEIFP") Debt Component was established in FY2012 at a level of \$35.42/mg to repay debt to the NJEIFP for a loan issued to construct a building structure over the intake pump station at the Manasquan Reservoir Water Supply System to protect the pumps and water travel screens from deterioration due to exposure to the elements and extend the useful life of the equipment. The Bonds were sold in May of 2012 at terms more favorable than originally anticipated. Staff recommends no change in the rate of \$24.93/mg for FY2023, which is no change from the Initial Proposal.

A Capital Fund Component was established in the Manasquan System for initial water purchase contracts (\$525.00/mg) in FY2021 to provide for long-term capital needs that will allow for the proper maintenance, rehabilitation and/or replacement of the system facilities. Staff recommends no change in the rate of \$525.00/mg for FY2023, which is no change from the Initial Proposal.

Staff recommends amending the Rules to reflect a total initial water purchase contract rate including the O&M Component, NJEIFP Debt Component, Source Water Protection Assessment and Capital Fund Component of \$445.82/mg, \$24.93/mg, 15.00/mg and \$525.00/mg respectively equaling a total rate of \$1,010.75/mg, no change relative to FY2022 and no change from the Initial Proposal.

## B. Delayed Water Purchase Rate.

Pursuant to the Authority's Bond Resolution, contracts executed subsequent to 1993 (delayed water purchase contracts) are subject to a rate equal to the O&M Component plus a Source Water Protection Fund Component, a Debt Service Cost Component associated with the accreted bond interest for the period of 1990 through 1993, and any other debt service requirements such as the NJEIFP Debt Component and Capital Fund Component. New Jersey American Water executed delayed water purchase contracts for the purchase of 1.000 mgd, effective July 1, 2001, 1.935 mgd, effective October 1, 2002, and 1.500 mgd effective January 1, 2005.

Staff's Final Proposal makes no change to the sales base for delayed water purchase contracts effective July 1, 2001, October 1, 2002, and January 1, 2005. Staff recommends a FY2023 combined rate of \$1,124.67, which is no change from the FY2022 rate and no change from the Initial Proposal.

The proposed FY2023 Debt Service Assessment of \$438.92/mg commencing July 1, 2021, reflects no change in the rate compared to FY2022, and no change relative to the Initial Proposal.

A Capital Fund Component was established in the Manasquan System for delayed water purchase contracts (\$200.00/mg) in FY2021 to provide for long-term capital needs that will allow for the proper maintenance, rehabilitation and/or replacement of the system facilities. Staff recommends no change in the rate of \$200.00/mg for FY2023, which is no change from the Initial Proposal.

Staff recommends amending the Rules to reflect a total delayed water purchase rate including the O&M Component, Debt Service Cost Component, NJEIFP Debt Component, Source Water Protection Assessment and Capital Fund Component of \$445.82/mg, \$438.92/mg, \$24.93/mg, \$15.00/mg and \$200.00/mg respectively for a total rate of \$1,124.67/mg, which represents no change from the Initial Proposal and no change relative to FY2022.

## C. Other Amendments.

There are no other amendments to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System, no change from the Initial Proposal.

D. Comments by Interested Parties / Members of the Public.

The Authority Staff conducted a pre-public hearing meeting on January 6, 2022. No members of the public were in attendance.

The Authority held a public hearing on February 3, 2022. No members of the public were in attendance.

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

I present my findings below.

III. FINDINGS AND CONCLUSIONS

1. The public record does not contain any specific adverse comments concerning staff's justification for the sales base and proposed Operations and Maintenance Expense Component of the Rate. The Manasquan Reservoir System rate was increased on July 1, 2015 and again on July 1, 2016 to address expected losses in the sales base and a growing reliance on the use of non-recurring revenue. Prior to those adjustments, the Manasquan Reservoir System rate had not been increased since July 1, 2011. 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 has realized significant savings in health care costs for both active employees and retirees. The Authority participates in the State's power cooperative purchasing which has resulted in a significant reduction in power costs. The overall user rate decreased in FY2021 for both initial and delayed water purchase contract customers and is remaining stable in FY2023. I find the FY2023 Operations and Maintenance Expense Component of the rate and sales base to be appropriate.
2. The public record does not contain any adverse comments concerning Staff's justification for the sales base and proposed rate adjustment to the Debt Service Cost Component of the Rate Assessment. The Authority is required by its bond resolutions to adopt rates that fully cover its Debt Service payments including an additional 20 percent coverage. I find the FY2023 Debt Service Assessment and associated sales base to be appropriate.

3. 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.
4. The public record does not contain any adverse comments concerning Staff's justification for the NJEIFP Debt Component of the Rate for FY2023 for repayment of debt to the NJEIFP. I find the FY2023 NJEIFP Debt Component to be appropriate.
5. The public record does not contain any adverse comments concerning Staff's justification for the Capital Fund Component of the Rate for FY2023. I find the FY2023 Capital Fund Component to be appropriate.
6. The Authority's proposed rate adjustments in Section IV below reflect the assessment of reasonable total rates for the preservation of the reliability of this vital supply of water for a vital portion of the State's population and to ensure that the System is adequately maintained.

#### IV. RECOMMENDATIONS

1. Resolution No. 2512 dated 11/1/21 authorized \$584,130 in unanticipated revenues to be appropriated into the Rate Stabilization Fund, all of which would be used in the FY2023 MRS budget.<sup>1</sup> The resolution adopting the final rates will authorize \$584,130 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 Authority should adopt a FY2023 total initial water purchase contract rate of \$1,010.75/mg and total delayed water purchase contract rate of \$1,124.67/mg. This is consistent with the originally proposed rates and as such no further Rule change is necessary.
4. The Authority should adopt a FY2023 O&M rate component of \$445.82/mg for initial water purchase contracts and delayed

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<sup>1</sup> It should be noted that this credit has the effect of obscuring the full O&M Component increase otherwise needed.

water purchase contracts dated July 1, 2001, October 1, 2002, January 1, 2005 and July 1, 2006. This is consistent with the Initial Proposal and as such no further Rule change is necessary.

5. The Authority should adopt a FY2023 Debt Service Assessment Rate for the delayed water purchase contracts dated July 1, 2001, October 1, 2002, and January 1, 2005 of \$438.92/mg. This is consistent with the Initial Proposal and as such no further Rule change is necessary.
6. The Authority should adopt a FY2023 NJEIFP Debt Component Rate of \$24.93/mg. This is consistent with the Initial Proposal and as such no further Rule change is necessary.
7. The Authority should adopt a FY2023 rate of \$15.00/mg for the Source Water Protection Fund Component, which is unchanged from the Initial Proposal. As such no further Rule change is necessary.
8. The Authority should adopt a FY2023 Capital Fund Component of \$525.00/mg for initial water purchase contracts, which is unchanged from the Initial Proposal. As such no further Rule change is necessary.
9. The Authority should adopt a FY2023 Capital Fund Component of \$200.00/mg for delayed water purchase contracts, which is unchanged from the Initial Proposal. As such no further Rule change is necessary.
10. There is no change from the Initial Proposal to the FY2023 total O&M Component sales base of 19.443 mgd, the initial water purchase contract sales base of 15.008 mgd or the delayed water purchase contract sales base of 4.435 mgd.
11. The Authority's proposed rate adjustments reflect the assessment of reasonable total rates for the preservation of the reliability of this vital source of water for the region served by this facility.

SUMMARY OF RECOMMENDED RATE ADJUSTMENTS

Initial Water Purchase Contracts

Dated July 1, 2015 and Delayed Water Purchase Contract Dated July 1, 2006

Component	Current Rates Per MG 7/1/21-6/30/22	Initial Proposed Rates Per MG 7/1/22-6/30/23	Recommended Rates Per MG 7/1/22-6/30/23
Operations & Maintenance Expense Component	\$ 445.82	\$ 445.82	\$ 445.82
Source Water Protection Fund Component	\$ 15.00	\$ 15.00	\$ 15.00
NJEIFP Debt Component	\$ 24.93	\$ 24.93	\$ 24.93
Capital Fund Component	\$ 525.00	\$ 525.00	\$ 525.00
Total Rate	\$1,010.75/mg	\$1,010.75/mg	\$1,010.75/mg

Delayed Water Purchase Contracts

Dated July 1, 2001, October 1, 2002, and January 1, 2005

Component	Current Rates Per MG 7/1/21-6/30/22	Initial Proposed Rates Per MG 7/1/22-6/30/23	Recommended Rates Per MG 7/1/22-6/30/23
Operations & Maintenance Expense Component	\$ 445.82	\$ 445.82	\$ 445.82
Source Water Protection Fund Component	\$ 15.00	\$ 15.00	\$ 15.00
Debt Service Cost Component	\$ 438.92	\$ 438.92	\$ 438.92
NJEIFP Debt Component	\$ 24.93	\$ 24.93	\$ 24.93
Capital Fund Component	\$ 200.00	\$ 200.00	\$ 200.00
Total Rate	\$1,124.67/mg	\$1,124.67/mg	\$1,124.67/mg

The proposed Adjustments to the "Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir Water Supply System", with an effective date of July 1, 2022 are hereby recommended for adoption by the Authority.

Respectfully submitted,



Jeffrey Hoffman  
Hearing Officer  
March 16, 2022

# Resolution Proposing Rate Adjustments

## Exhibit A

RESOLUTION OF THE NEW JERSEY WATER SUPPLY AUTHORITY

NO.: 2512

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 Manasquan Reservoir 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 fiscal year beginning on July 1, 2022; and

WHEREAS, the sales base for the Operations and Maintenance Expense Component, the Source Water Protection Fund Component and the NJEIFP Component has remained at 19.443 million gallons per day since these components were last determined; and

WHEREAS, the sales base for the Debt Service Cost Component for the delayed water purchasers has remained at 4.435 million gallons per day since this component was last determined; and

WHEREAS, the sales base for the Capital Fund Component for the initial water purchasers has remained at 15.008 million gallons per day since this component was last determined; and

WHEREAS, the sales base for the Capital Fund Component for the delayed water purchasers has remained at 4.435 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 Manasquan Reservoir System in the existing regulations found at N.J.A.C. 7:11-4.1 et seq. dealing with primarily the following proposed changes:

1. Amend N.J.A.C. 7:11-4.3(c) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain a sales base of 19.443 million gallons per day and to maintain the Operations and Maintenance Expense component of \$445.82 for the period of July 1, 2022 to June 30, 2023; and
2. Amend N.J.A.C. 7:11-4.4(b) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain a sales base of 4.435 million gallons per day for delayed water purchase contracts and to maintain the delayed debt service rate assessment of \$438.92 per million gallons for the period of July 1, 2022 to June 30, 2023.
3. Amend N.J.A.C. 7:11-4.5(c) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain the initial water purchase contract customer assessment of \$525.00 per million gallons for the period of July 1, 2022 to June 30, 2023.

4. Amend N.J.A.C. 7:11-4.5(e) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain the delayed water purchase contract customer assessment of \$200.00 per million gallons for the period of July 1, 2022 to June 30, 2023.

5. Amend N.J.A.C. 7:11-4.6(b) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain the source water protection rate of \$15.00 per million gallons for the period of July 1, 2022 to June 30, 2023.

6. Amend N.J.A.C. 7:11-4.7(b) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain the New Jersey Environmental Infrastructure Finance Program rate of \$24.93 per million gallons for the period of July 1, 2022 to June 30, 2023.

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

1. Transfer \$35,880 in Overdraft Revenue into the General Fund (Rate Stabilization). Appropriate \$548,250 in prior year year-end fund balances from the Operating Fund into the Rate Stabilization Fund.

2. Apply \$584,130 appropriated into the General Fund (Rate Stabilization) 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. 7:11-4.1, ET SEQ. IN THE SCHEDULE OF RATES, CHARGES AND DEBT SERVICE ASSESSMENTS FOR THE SALE OF WATER FROM THE MANASQUAN RESERVOIR WATER SUPPLY SYSTEM**

**ADJUSTMENT OF OPERATIONS AND MAINTENANCE EXPENSE COMPONENT TO REFLECT NO CHANGE IN OPERATING EXPENSE FOR FISCAL YEAR 2023**

**ADJUSTMENT OF SOURCE WATER PROTECTION FUND COMPONENT TO REFLECT NO CHANGE IN COMPONENT RATE FOR FISCAL YEAR 2023**

**ADJUSTMENT OF DEBT SERVICE COST COMPONENTS TO REFLECT BOND YEAR PAYMENTS DUE AND REQUIRED FOR FISCAL YEAR 2023**

**ADJUSTMENT OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM DEBT COMPONENT TO REFLECT BOND YEAR PAYMENTS DUE AND REQUIRED FOR FISCAL YEAR 2023**

**ADJUSTMENT OF CAPITAL FUND COMPONENT RATE FOR INITIAL AND DELAYED WATER PURCHASE CONTRACT CUSTOMERS TO REFLECT NO CHANGE FOR FISCAL YEAR 2023**

**Effective Date: July 1, 2022**

**Approved: 11/1/2021**

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**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 Manasquan Reservoir Water Supply System (System), to cover expenses for the Fiscal Year (FY) starting on July 1, 2022.

The Authority operates and maintains the System including the Intake Facilities located in Wall Township adjacent to Hospital Road, the Manasquan Reservoir located in Howell Township and 5 1/4 miles of 66-inch diameter pipeline which connects the Intake Facilities to the Reservoir. The Authority also operates and maintains a water treatment plant located on the same site as the Reservoir Intake Facilities and approximately 39,000 feet of transmission piping. This treatment plant/transmission system was constructed and is being operated by the Authority for the Southeast Monmouth Municipal Utilities Authority (SMMUA) on behalf of the Boroughs of Brielle, Spring Lake, Spring Lake Heights, Sea Girt and Wall Township, which have entered into agreements with SMMUA for the treatment/transmission of their portion of the supply from the System.

**Summary of Proposed Adjustments**

**Initial Water Purchase Contracts of 15.008mgd (15.695mgd at July 1, 1990 and 14.980mgd at July 1, 2015) and Shorelands (.028mgd) delayed water contract effective July 1, 2006:**

Component	Current (FY2022) Rates Per MG 7/1/2021 – 6/30/2022	Proposed (FY2023) Rates Per MG 7/1/2022 – 6/30/2023
Operations & Maintenance Component	\$445.82	\$445.82
Source Water Protection Fund Component	15.00	15.00
NJEIFP Debt Component	24.93	24.93
Capital Fund Component	525.00	525.00
<b>TOTAL RATE</b>	<b>\$1,010.75/mg</b>	<b>\$1,010.75/mg</b>

**New Jersey American Water Delayed Water Purchase Contracts Effective July 1, 2001, October 1, 2002 and January 1, 2005 (4.435 mgd):**

Component	Current (FY2022) Rates Per MG 7/1/2021 – 6/30/2022	Proposed (FY2023) Rates Per MG 7/1/2022 – 6/30/2023
Operations & Maintenance Component	\$445.82	\$445.82
Source Water Protection Fund Component	15.00	15.00
Debt Service Cost Component	438.92	438.92
NJEIFP Debt Component	24.93	24.93
Capital Fund Component	200.00	200.00
<b>TOTAL RATE</b>	<b>\$1,124.67/mg</b>	<b>\$1,124.67/mg</b>

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 FY2022 sales base was 19.443 million gallons per day (mgd). The Authority anticipates that the applicable raw water O&M sales base for FY2023 will remain the same at 19.443 mgd. The initial sales base will remain the same at 15.008 mgd and the delayed sales base will remain at 4.435 mgd.

After the allocation of appropriate Headquarters General and Administrative costs to the System, the Authority anticipates \$3,161,711 in O&M component revenue required during FY2023 with an O&M rate component of \$445.82 per million gallons, no change from FY2022, starting on July 1, 2022 (Schedule 20, page 41). The proposed operating expense budget for FY2023 is \$22,910 more than FY2022 and the proposed Capital Equipment Budget, net of depreciation reserve, is \$100 more than FY2022. In FY2023 there will be a \$10,000 contribution to the Sediment Reserve Fund, a \$120,000 contribution to the Renewal and Replacement Fund, a \$5,000 contribution to the Formal Dam Inspection Reserve, and a \$15,000 contribution to the High Voltage Testing Reserve Fund, the same as in FY2022. In FY2023 there will be no contribution to the Other Post-Employment Benefits Reserve and no Supplemental Renewal and Replacement Fund contribution. The OPEB Reserve is fully funded. See Budget Summary on page 19.

The Manasquan Reservoir system owes \$139,651 to the SMMUA Water Treatment Plant and Transmission System for actual FY2021 salary and fringe expenses. This amount will be applied to the CY2022 SMMUA budget (Schedule 15, pages 34-36).

Miscellaneous revenue and interest income in FY2023 is projected to increase by \$157,860 relative to FY2022 reflecting an increase in the use of year end surplus and excess debt service coverage available from FY2021 (Schedule 17, page 38), offset in part by lower interest earnings (Schedule 16, page 37) . Overdraft revenue of \$35,878 is available from 2021.

The System was financed with loans from the State of New Jersey and a Debt Service Assessment for contracts, effective as of July 1, 1990, was established to cover debt service payments on the initial loan of \$63,600,000 at a set interest rate of 7.15 percent and payment of the interim completion loan of \$7,416,000 at an interest rate of 7.16 percent. During FY1992 the State of New Jersey reduced the interest rate on the completion loan to 6.24 percent. During FY1997, the Authority negotiated an agreement with the State of New Jersey, which reduced the interest rate on the \$63,600,000 original State Loan Notes from 7.15 percent to 5.93 percent effective for the payments due on or after August 1998. The Debt Service component of the rate has been adjusted in the past to reflect the revised debt service schedules.

In August of 2005, the Authority refunded the current portion of the State Loan Notes and the Completion Notes at an average coupon of 4.83 percent and net present value savings of \$6.187 million. The terms of the bonds were 15 and 25 years respectively. The bond proceeds also fully funded the Debt Service Reserve Account.

On April 26, 2016, the Authority issued \$17,460,000 in Manasquan Reservoir Water Supply System Refunding Bonds, Series 2016. The proceeds, together with other monies on deposit, were used to prepay \$23,242,358 in Manasquan Reservoir Water Supply System Revenue Bonds, Series 2005 and Current Manasquan State Loan Notes and Completion Notes. The Refunding Bonds carry a bond yield of 1.59 percent, and mature in incremental annual principal amounts through 2031. The debt service component of the rate represents 120 percent of the principal and interest requirements and debt service coverage must remain at 120 percent through the life of the bonds.

The current refunding resulted in a difference between the par amount of the refunding bonds and the par amount of the refunded bonds of \$5,782,358. The net premium on the refunding bonds was \$1,821,414. The economic gain was a net present value debt savings of \$2,999,861.

The Debt Service component of the rate for the Delayed Water Purchase Contracts (DWP) will be \$438.92 per million gallons, no change from FY2022. The portion of debt related to Initial Water Purchase Contracts was retired effective August 1, 2020, and the associated Debt Service component was eliminated in FY2021.

The Authority established a Source Water Protection Fund Component in FY2004 dedicating \$15.00 per million gallons to protect the quality and quantity of water in the Manasquan Water Supply System. The Authority decreased the rate component by \$5.00 per million gallons from \$15.00 to \$10.00 for this fund in FY2016. In order to cover program needs the Authority increased the rate by \$5.00 per million gallons to restore the rate to \$15.00 per million gallons in FY2018. The Authority recommends no change to the rate of \$15.00 per million gallons in FY2023.

The Authority closed on a loan to the New Jersey Environmental Infrastructure Financing Program (NJEIFP) on May 3, 2012 to finance the construction of a building structure over the Intake Pump Station and traveling water screens to protect the infrastructure from degradation by the elements. The final interest on the loan is based on 75 percent at zero interest and 25 percent market rate with coupons up to 5 percent for an effective interest rate of .8 percent over the twenty year life of the loans. The rate component of \$24.93 per million gallons in FY2023 is required to cover debt service payments in accordance with the schedule and is no change from the FY2022 rate.

A capital fund rate component was established in the Manasquan System for Initial Water Purchase Contracts (\$525.00/mg) and Delayed Water Purchase Contracts (\$200.00/mg) in FY2021 to provide for long-term capital needs that will allow for the proper maintenance, rehabilitation and/or replacement of the system facilities. As critical structures, including dams, continue to age in the 30 year old Manasquan System, the Authority believes it is prudent to maintain a similar rate component that would fund related capital needs. The Authority recommends no change to the rate of \$525.00 per million gallons for Initial Water Purchase Contract customers and \$200.00 per million gallons for Delayed Water Purchase Contract customers in FY2023.

For Initial Water Purchase Contract customers, the base contract O&M Rate (\$445.82), Source Water Protection Program Rate (\$15.00), NJEIFP Debt Rate (\$24.93) and Capital Fund Component (\$525.00) comprise the total base contract rate for raw water of \$1,010.75 per million gallons, and represent no change in the rate relative to FY2022. This base contract rate is charged to all uninterruptible service contracts executed prior to July 1, 1990 (and renewed at July 1, 2015), the commencement date of Manasquan Reservoir System operations, and one Delayed Water Purchase contract with Shorelands Water Company (subsequently acquired by New Jersey American) executed on July 1, 2006. In order for its customers to be assessed the base contract rate on the .028mgd delayed contract, Shorelands Water Company prepaid the net present value of the difference between the initial water purchase contracts debt service schedule and the delayed water purchase contracts debt service schedule.

The total rate for Delayed Water Purchase Contract customers in FY2023 is \$1,124.67 per million gallons, representing no change relative to the FY2022 delayed water purchase rate. The O&M Component (\$445.82), the Source Water Protection Fund Component (\$15.00), the Debt Service Rate Component (\$438.92), the NJEIFP Debt Rate (\$24.93) and the Capital Fund Component (\$200.00) comprise the total rate.

Table 1 (page 15) contains a summary of the proposed base contract rate and delayed water purchase contract rate components. The proposed rates shown in Table 1 are effective July 1, 2022 through June 30, 2023. These rates are based upon the projected operating costs and reflect an estimated contracted sales base of 19.443mgd.

Table 2 (page 16) is a twenty-year history of the total initial water purchase contract annual water rate.

Table 3 (page 17) is a fifteen-year history of the combined delayed water purchase contract annual water rates.

Water use payments are to be made quarterly with due dates of October 10, 2022, January 10, 2023, April 10, 2023 and July 10, 2023.

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 adjustment.

### **Schedule of Events**

A pre-public hearing on the proposed rate adjustment is scheduled at 11:00 a.m. on Thursday, January 6, 2022.

A public hearing on the proposed rate adjustment is scheduled at 11:00 a.m. on Thursday, February 3, 2023. The public hearing record is scheduled to close on March 15, 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-notice.html> at least 15 days prior to the date of the meeting/hearing.

The Authority will take final action on the proposed rate adjustment at its May 2, 2022 meeting at the Authority's Administration Building in Clinton, New Jersey.

### **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 Water Supply 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 also operates the Spruce Run/Round Valley Reservoirs Complex and the Delaware and Raritan Canal Water Supply Transmission Complex comprising the Raritan Basin System, headquartered in Clinton, New Jersey. As a result, 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 the customers of 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 current Auditors provide the Authority with their findings as to the adjustment, if any, of 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 auditor 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 additional information.

### **Distribution of Costs Between the Manasquan Reservoir System and the Treatment Plant/Transmission System**

A common staff operates the System and the Treatment Plant/Transmission System. Salaries are allocated between the two Systems based upon time records that were kept during the fiscal year ending on June 30, 2021. The percentages used to provide the basis for the salary allocation for FY2023 were established from historical time records and estimated future workload relative to both Systems. A listing of all positions and the percentage of each position's time assigned to each of the two Systems appear on Schedule 2 (page 21).

Detailed budgets have been prepared for the Manasquan Reservoir System and the Treatment Plant/Transmission System. Each System's budget has three main categories of annual operational expenses in addition to the allocation of headquarters overhead. The three categories include (a) salaries and fringes (b) direct operation and maintenance expenses and (c) general and administrative expenses. Part 2 of this document provides more information on both Systems including detailed summaries of the projected line item budget figures for General and Administrative expenses and Operations and Maintenance expenses for FY2023.

### **Analysis of Significant Changes in Operations and Maintenance Expenses and Sales Base - Manasquan Reservoir System**

#### **Overview of Sales Base**

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. Twelve of the 13 original water purchase contracts were renewed effective July 1, 2015 and expire June 30, 2040. The final customer contract, New Jersey American, consolidated the initial water purchase and delayed water purchases for a total of 12.5 mgd and has an expiration date of June 30, 2031. Of the 13 contracts, six are two-party contracts with the New Jersey Water Supply Authority. These are the five treated water customers (Wall Township and the Boroughs of Brielle, Sea Girt, Spring Lake and Spring Lake Heights) of the Southeast Monmouth Municipal Utilities Authority's water treatment plant operated by the New Jersey Water Supply Authority and the New Jersey American

Contract. One is a three party contract (Keyport Borough) among the Authority, the customer and Shorelands Water Company (subsequently acquired by New Jersey American) for the delivery of water through Shorelands' distribution system. Six contracts (the Boroughs of Avon, Belmar, Matawan, Red Bank and Lake Como, and Shorelands (recently acquired by New Jersey American)) are three party contracts among the Authority, the customers and New Jersey American for the provision of treated water from New Jersey American. The total sales base dropped from 20.560 to 19.443 mgd effective July 1, 2015 and remains the total for FY2023.

### Overview of Projected Operational Expenses

The Authority's proposed FY2023 Manasquan Reservoir Total Expense budget is \$120,820 more than the current FY2022 budget. The allocation of Authority Headquarters General and Administrative Expenses in FY2023 increases \$63,000 versus FY2022. Capital Equipment budget for FY2023 is \$100 more than FY2022. There will be no FY2023 contribution to the Depreciation Reserve account, Insurance Reserve, or Pumping Reserve. There will be a \$10,000 contribution to the Sediment Reserve, a \$5,000 contribution to the Formal Dam Inspection Reserve, and a \$15,000 contribution to the Reserve for High Voltage Testing. Formal Dam Inspections and High Voltage Testing are performed every three years and rather than raising the entire amount every third year, budget stability is created by raising one third of the cost every year. There will be a normal contribution to the Renewal and Replacement Fund of \$120,000. There will be no contribution to the reserve for other post-employment benefits (accrued sick leave payments for retirees) which was created in FY2017. Miscellaneous revenue and interest income increases by \$157,860. These factors contribute to an \$22,910 increase in the total FY2023 O&M Component requirement relative to FY2022 (3,161,711 vs. \$3,138,801) (Budget Summary on page 19).

Total O&M Direct Expenses are increasing by \$41,213 from FY2022, largely due to increases in insurance and sediment removal expenses. General and Administrative Expenses allocated to the Reservoir System are essentially flat as compared to FY2022.

### Salaries, Overtime 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 one management employee. Also included are 2% cost of living increases for the one member of Authority management who is 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 anticipated to be approximately \$250,000 for the Manasquan System. The Authority has budgeted \$282,400 for this line item in FY2023. Although increases have stabilized in the last three years, there is still a level of uncertainty in this expense item because the pension system remains significantly underfunded.

Total salary and fringe is decreasing by approximately \$13,000 in FY2023 as compared to FY2022, and the portion allocated to the Reservoir System is increasing by approximately \$17,000. The small increase is due in large part to a high rate of turnover in the Manasquan labor pool that has resulted in newer employees who are at lower levels of the salary scale. In FY2023, 52 percent of total salary and fringe is allocated to the Reservoir System and 48 percent to the Treatment Plant. The number of budgeted positions in FY2023 is 27, which is the same as FY2022 (Schedule 2, page 21).

### 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 retiree health benefits expense item is increasing in FY2023 from \$158,500 to \$213,600. 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 percent 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.

### Insurance Program

The Authority is recommending a \$14,305 increase in insurance expenses for FY2023, reflecting general market conditions as assessed by the Authority's insurance broker/ risk consultant, and based on a recent recalculation of relative asset values. Broker services are remarketed every three years and the insurance program is renewed on March 1.

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.

### Headquarters General and Administrative Expenses

Budgeted Headquarters General and Administrative Expenses in FY2023 total \$749,000, of which \$646,000 is charged to the Manasquan Reservoir System and \$103,000 is charged to the Manasquan Water Treatment Plant (Schedule 13, page 32). The FY2023 budget also includes the reconciliation of the FY2021 actual to budget variance in this category. Headquarters charges are driven primarily by salary and fringe.

### Interest Income and Miscellaneous Revenue

The projected interest earnings on reserve funds for FY2023 are \$26,600. This reflects a decrease of \$16,700 relative to FY2022 and is based upon an interest rate of .25 percent for short-term investments (See Schedule 16, page 37).

## Reserve Contributions

Consistent with FY2022, there will be no FY2023 contribution to the Depreciation Reserve account, the Insurance Reserve or the Pumping Reserve. There will be a \$10,000 contribution to the Sediment Reserve. There will be a regular \$120,000 contribution to the Renewal and Replacement Fund, a \$5,000 contribution to the Reserve for Formal Dam Inspections and a \$15,000 contribution to the Reserve for High Voltage Testing. Formal Dam Inspections and High Voltage Testing are performed every three years and rather than raising the entire amount every third year, budget stability is created by raising one third of the cost every year. There were two new reserve fund contributions in FY2017 which will not be funded in FY2023. There was a supplemental contribution of \$350,000 to the Renewal and Replacement Fund in FY2017 that is not required in FY2023. The Authority requires a minimum balance of \$2 million in the fund to cover dam emergencies, and pipeline and pump emergent repairs. Because the system is aging, there are normal maintenance expenditures included in the five year plan that would have drawn the fund down below the \$2 million requirement without the supplemental deposit. Finally, the Authority funded a reserve for other post-employment benefits (accrued sick leave) in FY2017 in order to assure that sufficient funds are available to pay out sick benefits as this number is not regularly budgeted in salary and fringe.

## Review of Reserve Accounts

### Depreciation Reserve Account

This reserve is intended to provide for the replacement of Authority machinery and equipment with a value of \$1,000 or more and a useful life in a range from three to ten years and to cushion the impact of replacement equipment purchases in order to provide more stable rates. Depreciation Reserve should equal accumulated depreciation for this class of assets. Long term investment earnings have been utilized to fund the Depreciation Reserve.

### Self Insurance Reserve

The Self Insurance Fund was established for the System to allow the Authority to make choices between underwritten risk and self-insurance risk in the face of increased prices in the insurance market. No contribution is being made to the fund in FY2023.

### Reserve for Operations and Maintenance

A working cash reserve must be maintained at a level which reflects the amount of the regular annual operating costs plus an allowance for possible extraordinary requirements. The level of this reserve must equal 25 percent of the Annual O&M Budget. An initial contribution of \$125,000 was budgeted in FY1991. A contribution of \$125,000 was budgeted in FY1992. The contribution for FY1993 was \$50,000 because of the availability of additional revenue from FY1991.

An additional \$100,000 was added during FY1993 from the receipt of delinquent revenue

and resulted in full funding of this reserve. The Reserve for Operations and Maintenance Fund was fully funded as of June 30, 2016 and as a result, no contribution will be needed in FY2023.

### Renewal & Replacement Reserve

The Renewal & Replacement Reserve is to be used for costs of capital improvements including repairs to facilities not covered by insurance and payment of extraordinary O&M costs. As per the terms of the project financing, this Reserve is to be funded by the excess debt service coverage revenue after the Debt Service Reserve requirement has been accumulated. An initial deposit of \$24,287 had been made into this account from overdue revenue received during FY1993. Excess annual debt service coverage amounts were later transferred into this fund. The balance in the Fund as of June 30, 2021 was approximately \$4,160,000. Excess interest earnings on the Debt Service Reserve and Debt Service Funds and excess debt service coverage revenue as well as a direct deposit of \$120,000 provide the source of funds for this reserve account.

### Source Water Protection Fund Rate Component

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 an extension of that program during the period of FY2004, the Authority began the Manasquan Watershed Protection Initiative, and established the Source Water Protection Fund for the purpose of protecting the quality and quantity of water in the Manasquan Reservoir Water Supply System. The fund is used for three purposes in cooperation with State, local and nonprofit partners: (1) administrative assistance in the preservation of those properties in the Manasquan River Basin that are critical to the long-term protection of water quality and quantity in the Manasquan Reservoir Water Supply System as they may affect Authority customers; (2) improved management of land development by municipal, county, and State government to protect both water quality and flow to and within Authority facilities; and (3) remedial projects to improve water quality from existing conditions.

Whenever possible, the Authority will seek to obtain funding from other sources to augment or match its expenditures from the Source Water Protection Fund. The balance in the Source Water Protection Fund at June 30, 2021 was approximately \$1,489,000. Because of overall rate considerations in prior years, the Authority reduced the Source Water Protection Fund Component from \$15.00 per million gallons to \$10.00 per million gallons in FY2016 and FY2017 and reinstated the rate to \$15.00 per million gallons in FY2018 to ensure adequate funding for these initiatives. The Authority proposes no change to the rate in FY2023.

### Optional Water Use Schedule

The Authority continues allowing the use of an Optional Water Use Schedule. When the total of all uninterruptible supply contract diversions is equal to or less than 25mgd, the Purchaser

may operate pursuant to an optional water use schedule wherein the Purchaser may divert up to 20 percent in excess of the total contracted amount for any given month.

### **Overdraft Service**

The Authority continues to charge an Overdraft Service Rate by recognizing that daily overdraft service rates apply to all uninterruptible service contract customers, and by recognizing that the daily overdraft service rate is a multiple of the initial water purchase rate.

### **Other Rule Amendments**

There are no other rule amendments for FY2023.

**PART II – DETAILED SUPPORTING INFORMATION**

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY 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 allocated by contract from the Manasquan Reservoir System for the **base contracts effective as of July 1, 2015 (14.980mgd), and Shorelands (.028mgd) delayed water contract effective July 1, 2006:**

I. July 1, 2022 to June 30, 2023

Rate Component	Current	Original Proposal 11/01/21	Difference	Percentage Increase (Decrease)
Operations & Maintenance Expense Component	\$445.82	\$445.82	\$0.00	0.00%
Source Water Protection Fund Component	\$15.00	\$15.00	\$0.00	0.00%
NJEIFP Debt Component	\$24.93	\$24.93	\$0.00	0.00%
Capital Fund Component	\$525.00	\$525.00	\$0.00	0.00%
Total Rate	\$1,010.75/mg	\$1,010.75/mg	\$0.00/mg	0.00%

The rates, charges and debt service assessments listed below shall be paid for raw water allocated by contract from the Manasquan Reservoir System for all **New Jersey American Water delayed water purchase contracts effective: July 1, 2001 (1mgd), October 1, 2002 (1.935mgd), January 1, 2005 (1.500mgd):**

II. July 1, 2022 to June 30, 2023

Rate Component	Current	Original Proposal 11/01/21	Difference	Percentage Increase (Decrease)
Operations & Maintenance Expense Component	\$445.82	\$445.82	\$0.00	0.00%
Source Water Protection Fund Component	\$15.00	\$15.00	\$0.00	0.00%
Debt Service Cost Component	\$438.92	\$438.92	\$0.00	0.00%
NJEIFP Debt Component	\$24.93	\$24.93	\$0.00	0.00%
Capital Fund Component	\$200.00	\$200.00	\$0.00	0.00%
Total Rate	\$1,124.67/mg	\$1,124.67/mg	\$0.00/mg	0.00%

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Table 2 - Rate History of Water Charges per Million Gallons of Raw Water - Initial  
FY2004-FY2023**

Initial Water Purchaser 14.980 mgd July 1, 2015  
Shorelands .028 mgd July 1, 2006

<u>Effective Date</u>	<u>O&amp;M Charge</u>	<u>Source Water Protection</u>	<u>Debt Repayment 2/1/91-8/01/20</u>	<u>NJEIFP Debt Component</u>	<u>Capital Fund Component</u>	<u>Total Charge per MG</u>	<u>Percent Increase (Decrease)</u>
July 1, 2003	201.14	15	578.83			\$794.97	0.00%
July 1, 2004	321.69	15	584.95			\$921.64	15.93%
July 1, 2005	295.41	15	584.6			\$895.01	-2.89%
July 1, 2006	295.41	15	522.86			\$833.27	-6.90%
July 1, 2007	302.52	15	528.54			\$846.06	1.53%
July 1, 2008	302.52	15	566.59			\$884.11	4.50%
July 1, 2009	396.79	15	568.26			\$980.05	10.85%
July 1, 2010	396.79	15	568.69			\$980.48	0.04%
July 1, 2011	347.39	15	618.09	35.42		\$1,015.90	3.61%
July 1, 2012	345.95	15	619.53	35.42		\$1,015.90	0.00%
July 1, 2013	356.61	15	619.87	24.42		\$1,015.90	0.00%
July 1, 2014	356.61	15	619.87	24.42		\$1,015.90	0.00%
July 1, 2015	386.00	10.00	636.61	24.79		\$1,057.40	4.09%
July 1, 2016	432.87	10.00	636.61	25.10		\$1,104.58	4.46%
July 1, 2017	432.87	15.00	570.55	24.93		\$1,043.35	-5.54%
July 1, 2018	432.87	15.00	570.55	24.93		\$1,043.35	0.00%
July 1, 2019	432.87	15.00	570.55	24.93		\$1,043.35	0.00%
July 1, 2020	445.82	15.00	0.00	24.93	525.00	\$1,010.75	-3.12%
July 1, 2021	445.82	15.00	0.00	24.93	525.00	\$1,010.75	0.00%
<b>July 1, 2022</b>	<b>445.82</b>	<b>15.00</b>	<b>0.00</b>	<b>24.93</b>	<b>525.00</b>	<b>\$1,010.75</b>	<b>0.00%</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Table 3 - Rate History of Water Charges per Million Gallons of Raw Water - Delayed**  
FY2009-FY2023

Delayed Water Purchaser NJ-American 1 mgd July 1, 2001  
1.935 mgd October 1, 2002  
1.500 mgd January 1, 2005

<u>Effective Date</u>	<u>O&amp;M Charge</u>	<u>Source Water Protection</u>	<u>Debt Repayment 2/1/02-8/01/31</u>	<u>NJEIFP Debt Component</u>	<u>Capital Fund Component</u>	<u>Total Charge per MG</u>	<u>Percent Increase (Decrease)</u>
July 1, 2008	302.52	15.00	762.28			\$1,079.80	-0.20%
July 1, 2009	396.79	15.00	763.24			\$1,175.03	8.82%
July 1, 2010	396.79	15.00	756.19			\$1,167.98	-0.60%
July 1, 2011	347.39	15.00	770.90	35.42		\$1,168.71	0.06%
July 1, 2012	345.95	15.00	772.12	35.42		\$1,168.49	-0.02%
July 1, 2013	356.61	15.00	772.46	24.42		\$1,168.49	0.00%
July 1, 2014	356.61	15.00	772.46	24.42		\$1,168.49	0.00%
July 1, 2015	386.00	10.00	770.07	24.79		\$1,190.86	1.91%
July 1, 2016	432.87	10.00	770.07	25.10		\$1,238.04	3.96%
July 1, 2017	432.87	15.00	664.96	24.93		\$1,137.76	-8.10%
July 1, 2018	432.87	15.00	664.96	24.93		\$1,137.76	0.00%
July 1, 2019	432.87	15.00	664.96	24.93		\$1,137.76	0.00%
July 1, 2020	445.82	15.00	438.92	24.93	200.00	\$1,124.67	-1.15%
July 1, 2021	445.82	15.00	438.92	24.93	200.00	\$1,124.67	0.00%
<b>July 1, 2022</b>	<b>445.82</b>	<b>15.00</b>	<b>438.92</b>	<b>24.93</b>	<b>200.00</b>	<b>\$1,124.67</b>	<b>0.00%</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule of Events**

(N.J.A.C. 7:11-4.1 et.seq.)  
To become effective July 1, 2022

**2021**

- SEPTEMBER 27 Advise Water Users of informal meeting.
- OCTOBER 28 Informal meeting with Water Users – 11:00 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.
- 6 Pre-Public Hearing – 11:00 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 3 Public Hearing Meeting. (Manasquan Administration Building) – 11:00  
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 FY 2023 Rates & Budget
- JULY 1 Effective date.

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Proposed Fiscal Year 2023 Budget Summary**

(07/01/22-06/30/23)

	ADOPTED F/Y2022 <u>Reservoir Budget</u>	PROPOSED F/Y2023 <u>Reservoir Budget</u>
Proposed Operating Expense Budget (Schedule 1)	\$ 2,761,170	\$2,818,990
Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 13)	<u>\$ 583,000</u>	<u>\$ 646,000</u>
Proposed Total Expense Budget	\$ 3,344,170	\$ 3,464,990
Proposed Capital Equipment Budget (Schedule 14)	\$ 17,700	\$ 17,800
Contribution to Reserve Funds		
- Sediment Reserve	\$ 10,000	\$ 10,000
- Formal Dam Inspection Reserve	\$ 5,000	\$ 5,000
- Renewal & Replacement Fund	\$ 120,000	\$ 120,000
- High Voltage Testing Reserve	\$ 15,000	\$ 15,000
- Other Post Employment Benefits Reserve	\$ -	\$ -
- Supplemental Renewal & Replacement	\$ -	\$ -
Adjustment for F/Y21 Salary and Fringe Expenses to be paid (from)/to WTP/TS Account (Schedule 15)		\$ 139,651
Adjustment for F/Y20 Salary and Fringe Expenses to be paid (from)/to WTP/TS Account	<u>\$ 79,801</u>	<u>\$ -</u>
Total Budget Requirements	<u>\$ 3,591,671</u>	<u>\$ 3,772,441</u>
Interest Earnings on Funds (Except Renewal and Replacement and Depreciation Reserve Fund) (Schedule 16)	\$ (43,300)	\$ (26,600)
Unanticipated Revenue (Schedule 17)	<u>\$ (409,570)</u>	<u>\$ (584,130)</u>
Total Miscellaneous Revenue & Interest Income	<u>\$ (452,870)</u>	<u>\$ (610,730)</u>
Net Amount to be paid for O & M Component	<u>\$ 3,138,801</u>	<u>\$ 3,161,711</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 1 - Total Operations & Maintenance Budget**

Fiscal Year 2023

	<u>F/Y2021 Reservoir Actual</u>	<u>F/Y2022 Reservoir Adopted</u>	<u>F/Y2023 Reservoir Proposed</u>
Salaries & Fringe Benefits (Schedule 2)*	\$1,432,540	1,503,432	\$1,520,516
O & M Direct Expense (Schedule 3)	846,229	1,116,400	1,157,613
G&A Expenses (Schedule 5)	<u>139,086</u>	<u>141,339</u>	<u>140,864</u>
Total Operations & Maintenance Budget	<u>\$2,417,855</u>	<u>\$2,761,172</u>	<u>\$2,818,993</u>
Estimate	<u>\$2,417,860</u>	<u>\$2,761,170</u>	<u>\$2,818,990</u>

	F/Y2020 Actual		F/Y2021 Actual		F/Y 2022 Adopted		F/Y2023 Proposed	
	Reservoir	WTP/TS	Reservoir	WTP/TS	Reservoir	WTP/TS	Reservoir	WTP/TS
Salaries/Fringe*	\$0	\$0	\$1,432,540	\$1,309,324	1,503,432	1,653,098	\$1,520,516	\$1,623,354
O & M Direct Expense	859,321	618,647	846,229	722,957	1,116,400	909,916	1,157,613	891,139
G & A Expense	<u>133,543</u>	<u>89,907</u>	<u>139,086</u>	<u>99,414</u>	<u>141,339</u>	<u>101,161</u>	<u>140,864</u>	<u>93,438</u>
Total	\$992,864	\$708,554	\$2,417,855	\$2,131,695	2,761,172	2,664,174	\$2,818,993	\$2,607,931

\*Actual fringe includes GASB 68 & GASB 75 non-cash Pension expense. FY21 Actual excludes non-cash GASB 75 expense, as this data has yet to be released to the Authority.

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 2 - Labor Projection**  
Fiscal Year 2023 (7/01/22-6/30/23)

TITLES	SALARY	FRINGE BENEFITS	OVERTIME	CLOTHING ALLOWANCE	SHIFT DIFFERENTIAL	TOTAL	ALLOCATION		ALLOCATION	
							RESERVOIR %	AMOUNT RESERVOIR	WTP/TS %	AMOUNT WTP/TS
Director	141,700	79,097	-	-	-	220,797	50%	110,400	50%	110,400
Project Engineer II	100,200	55,931	-	-	-	156,131	70%	109,340	30%	46,790
Water Supply Tech.	68,400	38,488	-	550	-	107,438	62%	66,649	38%	40,791
Administrative Assistant	73,050	40,910	239	-	-	114,199	50%	57,125	50%	57,035
Supervisor Technical Facilities Maint	91,650	59,410	14,232	550	-	165,842	47%	77,073	54%	88,737
Sr. Water Supply Tech.	79,950	45,855	1,648	550	-	128,003	43%	55,015	57%	72,935
Maintenance Worker I	49,700	28,049	-	550	-	78,299	93%	73,121	7%	5,179
Supervisor Operations	120,800	67,430	-	-	-	188,230	25%	47,100	75%	141,130
Equipment Operator	50,400	28,800	644	550	-	80,394	94%	75,429	6%	4,921
Foreman Bldg. & Grounds Maint	79,950	45,451	924	550	-	126,875	85%	107,825	15%	19,025
Foreman Facilities Maintenance	79,950	46,770	3,287	550	-	130,557	47%	61,084	53%	69,486
Facilities Mechanic (3 Positions)	208,300	119,106	3,427	1,650	-	332,483	50%	166,275	50%	166,185
Supervisor Plant Operator	86,000	52,240	7,038	550	-	145,828	37%	53,607	63%	92,183
Maintenance Worker I Operations	51,200	28,956	124	550	-	80,830	92%	74,181	8%	6,629
Reservoir System Operator (5 Positions)	232,500	143,067	19,152	2,750	1,900	399,369	95%	379,393	5%	20,028
Plant Operator (6 Positions)	376,650	246,748	62,094	3,300	-	688,792	1%	6,900	99%	681,901
<b>TOTAL: (rounded)</b>	<b>1,890,400</b>	<b>1,126,300</b>	<b>112,800</b>	<b>12,650</b>	<b>1,900</b>	<b>3,144,000</b>		<b>1,520,516</b>		<b>1,623,354</b>

TOTAL = 27 Positions

Director and Adm. Assistant, Water Supply Tech and Sr. Water Supply Tech percentages modified based on work load. All others are four-year average.

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 3 - Reservoir System Operations and Maintenance Direct Expense Budget**  
Proposed F/Y 2023, Adopted F/Y 2022, and Actual F/Y 2019-2021

Cost Center: Reservoir Direct  
(40)

MANASQUAN WATER SUPPLY SYSTEM  
RESERVOIR SYSTEM  
O & M DIRECT EXPENSE BUDGET

CODE	ACCOUNT	FY '18 ACTUAL	FY '19 ACTUAL	FY '20 ACTUAL	FY '21 ACTUAL	FY '22 ADOPTED	FY '23 PROPOSED
5110	Regular Salaries & Wages						
5120	Overtime-Salaries & Wages						
5130	New positions-Salaries & Wages						
5140	Seasonal Help-Salaries & Wages						
5150	Fringe Benefits						
5160	Retiree Health Benefits						
	Total Salary, Wages & Fringe						
5200	Residences						
5210	Heating Fuel			399	805	900	800
5220	Utilities -Electrical Service	76,695	74,899	70,058	76,270	90,500	85,000
5230	-Gas Service	6,759	6,451	6,415	7,664	8,000	9,800
5240	-Propane						
5250	Electricity for Pumping Station	218,469	171,380	206,599	239,940	305,000	305,000
5260	Fuel - Vehicular						
5270	Oil & Grease						
5280	Tires						
5290	Maintenance Supplies	5,244	5,615	9,671	9,198	4,000	10,000
5300	Maint. Supplies - Vehicular						
5310	Major Vehicle Service & Repair						
5320	Agricultural Supplies						
5330	Maintenance Equipment	28,963	55,396	42,721	40,500	51,500	51,500
5340	Serv. & Maintenance Contracts	17,379	56,735	39,953	5,742	43,450	46,650
5350	Equipment Rental	4,400	2,340	11,105	8,970	6,500	10,000
5360	Household - Safety Supplies	835	766	2,518	3,373	1,000	1,000
5370	Uniforms						
5380	Special & Professional Services	130,420	72,226	68,971	80,245	138,686	138,686
5390	Protective Services	232,093	242,258	259,993	292,378	328,564	342,869
5400	Telephone	7,204	8,157	9,285	10,244	8,000	9,008
5410	Postage & Freight Out						
5420	Data Processing						
5430	Printing & Office Supplies	964	966	714	566	1,500	1,500
5440	Scientific & Photographic	2,258	751	2,524	781	5,500	5,500
5450	Dues & Subscriptions						
5460	Advertising & Promotional	433			704	2,000	2,000
5480	Staff Training & Tuition Aid				255		
5490	Fees & Permits	31,080	31,510	31,680	31,840	37,500	38,000
5500	In - Lieu Taxes	36,756	36,896	36,756	36,756	36,800	38,300
5510	Sediment Removal	29,724		59,961		47,000	62,000
5520	Chemicals						
5525	Carbon Filter Replacement						
	Total Other Expenses	\$829,677	\$766,347	\$859,321	\$846,229	\$1,116,400	\$1,157,613
	Total Operating Expenses	\$829,677	\$766,347	\$859,321	\$846,229	\$1,116,400	\$1,157,613
	ANNUAL BUDGET	\$1,049,600	\$1,019,652	\$1,008,584	\$1,005,936	\$1,116,400	\$1,157,613

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 4 - Treatment Plant/Transmission System Operations and Maintenance Direct**

**Expense Budget**

Proposed F/Y 2023, Adopted F/Y 2022, and Actual F/Y 2019-2021

Cost Center: Treat/Trans Direct  
(50)

MANASQUAN WATER SUPPLY SYSTEM  
WATER TREATMENT PLANT/TRANSMISSION SYSTEM  
O & M DIRECT EXPENSE BUDGET

CODE	ACCOUNT	FY '18 ACTUAL	FY '19 ACTUAL	FY '20 ACTUAL	FY '21 ACTUAL	FY '22 ADOPTED	FY '23 PROPOSED
5110	Regular Salaries & Wages						
5120	Overtime-Salaries & Wages						
5130	New positions-Salaries & Wages						
5140	Seasonal Help-Salaries & Wages						
5150	Fringe Benefits						
5160	Retiree Health Benefits						
	Total Salary, Wages & Fringe						
5200	Residences						
5210	Heating Fuel	0	0	2,043	6,691	6,000	6,000
5220	Utilities -Electrical Service	269,231	251,242	255,320	260,159	304,500	292,500
5230	-Gas Service	24,309	26,630	24,720	24,304	31,000	35,000
5240	-Propane						
5250	Electricity for Pumping Station						
5260	Fuel- Vehicular						
5270	Oil & Grease	1,365	1,220	1,317	0	4,000	3,000
5280	Tires						
5290	Maintenance Supplies	4,217	6,603	6,983	10,506	6,000	7,100
5300	Maint. Supplies - Vehicular						
5310	Major Vehicle Service & Repair						
5320	Agricultural Supplies	64					
5330	Maintenance Equipment	44,048	91,668	32,057	49,941	98,500	80,000
5340	Serv. & Maintenance Contracts	22,084	26,485	35,593	18,958	56,000	45,000
5350	Equipment Rental	1,507	5,542	763	1,417	3,200	3,200
5360	Household - Safety Supplies	216	688	1,260	3,925	2,000	2,000
5370	Uniforms						
5380	Special & Professional Services	28,673	28,904	23,710	28,170	34,800	34,800
5390	Protective Services	79,836	80,035	80,832	93,722	113,736	114,339
5400	Telephone	481	516	539	511	1,000	1,200
5410	Postage & Freight Out	969	1,652		103		300
5420	Data Processing						
5430	Printing & Office Supplies	5,077	8,266	2,343	4,964	9,800	9,800
5440	Scientific & Photographic	11,868	11,998	10,663	9,491	13,800	13,800
5450	Dues & Subscriptions						
5460	Advertising & Promotional	587	287	260	1,038	1,000	1,000
5470	Travel & Subsistence	55	59	12			
5480	Staff Training & Tuition Aid	5,102	1,843	0	355	6,700	6,700
5490	Fees & Permits	5,621	9,262	6,141	5,390	11,080	9,000
5500	In - Lieu Taxes	0	0	140	140	400	400
5510	Residual Removal	4,466	4,500	0	0	15,400	16,000
5520	Water Treatment Chemicals	88,979	134,833	132,813	143,893	131,000	150,000
5525	GAC Replacement	49,871	42,000		50,000	60,000	60,000
5528	Reimb of O&M Capital Expenditures	3,725	12,546	1,138	9,279		
	Total Other Expenses	\$652,350	\$746,777	\$618,647	\$722,957	\$909,916	\$891,139
	Total Operating Expenses	\$652,350	\$746,777	\$618,647	\$722,957	\$909,916	\$891,139
	ANNUAL BUDGET	\$941,860	\$929,660	\$855,400	\$864,000	\$909,916	\$891,139

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 5 - Reservoir System General and Administrative Operations and Maintenance**

**Direct Expense Budget**

Proposed F/Y 2023, Adopted F/Y 2022, and Actual F/Y 2019-2021

Cost Center: G & A

(60)

MANASQUAN WATER SUPPLY SYSTEM  
GENERAL & ADMINISTRATIVE  
EXPENSE BUDGET

CODE	ACCOUNT	FY '18 ACTUAL	FY '19 ACTUAL	FY '20 ACTUAL	FY '21 ACTUAL	FY '22 ADOPTED	FY '23 PROPOSED
5110	Regular Salaries & Wages	\$1,761,247	\$1,747,505	\$1,744,737	\$1,699,456	\$1,919,250	\$1,904,950
5120	Overtime-Salaries & Wages	77,313	80,779	71,499	64,694	109,250	112,800
5130	New positions-Salaries & Wages						
5140	Seasonal Help-Salaries & Wages						
5150	Fringe Benefits	928,393	996,747	554,954	250,181	964,600	907,700
5160	Retiree Health Benefits	125,373	(149,260)	(184,085)	(106,171)	158,500	213,600
5168	Workers Comp. (Self-Insured)	1,006	1,453	701	0	5,000	5,000
	<b>Total Salary, Wages &amp; Fringe</b>	<b>\$2,893,334</b>	<b>\$2,677,224</b>	<b>\$2,187,807</b>	<b>\$1,908,160</b>	<b>\$3,156,600</b>	<b>\$3,144,050</b>
	Budget - salary and fringe						
5200	Residences						
5210	Heating Fuel						
5220	Utilities -Electrical Service						
5230	-Gas Service						
5240	-Propane						
5250	Electricity for Pumping Station						
5260	Fuel - Vehicular	20,387	22,463	13,896	15,990	22,750	22,750
5270	Oil & Grease	865	6,797	3,628	1,596	5,700	5,700
5280	Tires	5,873	5,740	8,905	3,233	7,000	7,000
5290	Maintenance Supplies	10,278	8,457	7,890	10,186	27,300	15,000
5300	Maint. Supplies - Vehicular	6,022	8,656	9,703	16,194	10,600	20,000
5310	Major Vehicle Service & Repair	39,086	22,121	18,290	45,738	52,000	52,000
5320	Agricultural Supplies	2,876	5,219	1,787	6,161	8,600	9,100
5330	Maintenance Equipment	4,412	5,574	2,734	3,641	17,100	12,000
5340	Serv. & Maintenance Contracts	13,066	11,723	18,620	16,414	26,550	25,852
5350	Equipment Rental	2,348	2,307	2,411	2,365	4,300	4,300
5360	Household - Safety Supplies	8,145	5,655	11,830	9,399	7,500	7,500
5370	Uniforms						
5380	Special & Professional Services	7,099	7,469	7,395	8,361	7,700	7,700
5390	Protective Services						
5400	Telephone	6,304	6,008	5,714	6,152	7,000	7,000
5410	Postage & Freight Out	447	1,166	1,078	685	1,200	1,200
5420	Data Processing	4,417	3,558	2,427	2,575	5,000	5,000
5430	Printing & Office Supplies	2,242	3,659	2,528	2,380	5,800	5,800
5440	Scientific & Photographic	91	0	0	0	300	300
5450	Dues & Subscriptions	1,085	1,215	1,197	504	3,000	3,000
5460	Advertising & Promotional	1,379	1,214	459	74	2,000	2,000
5470	Travel & Subsistence	70	306	470	336	1,000	1,000
5480	Staff Training & Tuition Aid	5,920	4,251	2,512	3,559	12,400	12,400
5490	Fees & Permits	2,794	5,211	3,265	3,089	7,700	7,700
5500	In - Lieu Taxes						
5510	Residual Removal						
5520	Water Treatment Chemicals						
5525	GAC Replacement						
	Total Other Expenses	\$145,206	\$138,769	\$126,739	\$158,632	\$242,500	\$234,302
	Total Operating Expenses	\$3,038,539	\$2,815,993	\$2,314,546	\$2,066,792	\$3,399,100	\$3,378,352
	Budget- other expenses						
	<b>TOTAL ANNUAL BUDGET</b>						
	Reservoir System	\$84,508	\$71,761	\$133,543	\$139,086	\$141,339	\$140,864
	Treatment/Transmission System	\$60,698	\$67,008	\$89,907	\$99,414	\$101,161	\$93,438
		\$145,206	\$138,769	\$223,450	\$238,500	\$242,500	\$234,302

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 6 - List of Category 5340 Items Recommended Service & Maintenance Contracts**

**For Reservoir (40)**

Fiscal Year 2023

		Adopted F/Y22	Proposed F/Y23
1	HVAC/Dehumidifier Service	\$ 500	\$ 500
2	Instrumentation & Control System Service/Upgrade	3,000	3,000
3	Electrical Upgrade & Repair	14,000	14,000
4	Overhead Crane Service & Inspection	3,000	3,000
5	Fire & Intrusion Alarm Service	1,500	1,500
6	Potable Well/Septic Service	1,500	1,500
7	Fertilization-Dam Dike	3,750	3,750
8	Underground Fuel Tank Testing & Repair	-	2,000
9	Roadway Crack Sealing	3,000	3,000
10	Wood Debris Removal	2,500	2,500
11	Access Roadway Repairs	2,500	2,500
12	Roofing System Maintenance & Repair	4,000	4,000
13	Reservoir Transmission Line Clearing	3,000	3,000
14	Fios Fiber Optic for Security Cameras	1,200	2,400
	Total Service & Maintenance Contracts	<b>\$ 43,450</b>	<b>\$ 46,650</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 7 - List of Category 5340 Items Recommended Service & Maintenance Contracts**

**For WTP/TS (50)**

Fiscal Year 2023

		<u>Adopted</u> <u>F/Y22</u>	<u>Proposed</u> <u>F/Y23</u>
1	HVAC Service	\$ 2,000	\$ 1,500
2	Electrical Service Contract	1,500	1,000
3	Instrumentation & Control System Service & Upgrade	11,000	8,000
4	Electrical Upgrade & Repair	6,000	4,000
5	Overhead Crane Service	3,000	2,500
6	UST Monitors Service and Upgrade	2,000	1,652
7	Fire & Intrusion Alarm Service	3,600	3,100
8	Air Compressor Service	500	500
9	Boiler Service	500	1,008
10	Auxiliary Generator Service	3,500	3,000
11	Lab Equipment Service	3,000	2,500
12	Backflow Preventor Service	500	500
13	UPS Battery PM Service and Batteries	3,500	3,340
14	Four Year Electrical Switchgear Testing Service	10,000	7,000
15	Meter Vault Internet Service	5,400	5,400
		<u>5,400</u>	<u>5,400</u>
	Total Service & Maintenance Contracts	<u>\$ 56,000</u>	<u>\$ 45,000</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 8 - List of Category 5340 Items Recommended Service & Maintenance Contracts**

**For G & A (60)**

Fiscal Year 2023

		<u>Adopted F/Y22</u>	<u>Proposed F/Y23</u>
1	Refuse & Waste Disposal	\$ 2,000	\$ 2,000
2	Office Equipment/Computers	1,800	1,800
3	Waste Oil Disposal	200	300
4	Fire Extinguisher Service	1,100	1,100
5	UST Monitor Service	2,000	1,752
6	Building Maintenance	1,750	6,000
7	Internet Service	2,000	2,000
8	Janitorial Service	8,000	8,000
9	Vehicle Lift Inspection	500	500
10	Generator Service & Maintenance	2,000	-
11	Forklift Service & Maintenance	1,200	-
12	Underground Fuel Storage Tank Service	4,000	2,400
	Total Service & Maintenance Contracts	<u>\$ 26,550</u>	<u>\$ 25,852</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 9 - List of Category 5380 Items Recommended Special & Professional Service For**

**Reservoir (40)**

Fiscal Year 2023

		Adopted <u>F/Y22</u>	Proposed <u>F/Y23</u>
1	Laboratory Services - Water Quality Sampling	\$ 10,000	\$ 10,000
2	Consultant Services - Dam Inspection	15,000	-
3	Services-USGS Cooperative Agreement	34,000	34,000
4	Annual Trustee Fund	9,500	9,500
5	Dam Management-Surveying	2,500	2,500
6	Wetland Monitoring Management	8,000	8,000
7	Hydrilla Treatment and Water Quality Study	-	25,000
8	Lake Management Consultants	20,000	10,000
9	Engineering Services	4,000	4,000
10	Financial Advisory Services	4,850	4,850
11	USGS Gaging Station Squankum	<u>30,836</u>	<u>30,836</u>
	Total Special & Professional Services	<u>\$ 138,686</u>	<u>\$ 138,686</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 10 - List of Category 5380 Items Recommended Special & Professional Services**

**For WTP/TS (50)**

Fiscal Year 2023

		<u>Adopted F/Y22</u>	<u>Proposed F/Y23</u>
1	Water Quality Sampling	\$ 17,200	\$ 17,200
2	Residual Quality Analysis	800	800
3	Consultant Services	4,000	4,000
4	USGA Allenwood Gage-Parameters	11,000	11,000
5	Underground Markout Service	<u>1,800</u>	<u>1,800</u>
	Total Special & Professional Services	<u><u>\$ 34,800</u></u>	<u><u>\$ 34,800</u></u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 11 - List of Category 5380 Items Recommended Special & Professional Services**

**For G & A (60)**

Fiscal Year 2023

	<u>Adopted</u> <u>F/Y22</u>	<u>Proposed</u> <u>F/Y23</u>
1 Pulmonary Testing	\$ 1,500	\$ 1,500
2 CDL Medical Testing	1,000	1,000
3 EAS Service	4,000	4,000
4 Pre-Employment Physicals	<u>1,200</u>	<u>1,200</u>
Total Special & Professional Services	<u>\$ 7,700</u>	<u>\$ 7,700</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 12 - 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> Limit \$150 million, Limit \$25m BI  Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood Earthen Dam:Builders Risk	\$527,656	\$256,740	\$75,604	\$860,000
<b>General/Products Liability</b> Limit \$1 million Deduct: \$150k	\$133,213	\$14,205	\$2,583	\$150,001
<b>Environmental Impairment Liability</b> Limit \$10 million Deduct: \$100k	\$26,643	\$2,841	\$517	\$30,001
<b>Workers' Compensation</b> Limit \$1 million	\$131,487	\$18,101	\$20,412	\$170,000
<b>Employer Liability</b> Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
<b>Umbrella Liability</b> Limit \$23 million	\$377,436	\$40,246	\$7,317	\$424,999
<b>Business Automobile</b> Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$44,304	\$4,012	\$1,684	\$50,000
<b>Management Liability</b> Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k	\$44,404 \$17,762  \$62,166	\$4,735 \$1,894  \$6,629	\$861 \$344 <u>\$5,000</u> \$6,205	\$50,000 \$20,000 <u>\$5,000</u> \$75,000
<b>Travel Accident</b> Limit \$2 million	\$888	\$95	\$17	\$1,000
<b>TOTAL:</b>	\$1,303,793	\$342,869	\$114,339	\$1,761,001

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 13 - Recap of Allocation of Headquarters General and Administrative Expenses  
Charged To the Manasquan Reservoir Water Supply System**

Fiscal Year 2023 (7/1/22-6/30/23)

	<b>Total Headquarters Charge</b>	<b>Manasquan Reservoir System</b>	<b>Manasquan 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/Y21 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><u>\$748,656</u></u>	<u><u>\$646,489</u></u>	<u><u>\$102,167</u></u>
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  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 14 - Proposed Capital Equipment Budget**  
Fiscal Year 2023

Description	(A)Addition (R)Replaceme	Year of Purchase Vehicle/Equipment	Dollar Value	Manasquan %	Manasquan Reservoir	Manasquan WTP/TS	Reservoir Depreciation Reserve	WTP/TS Depreciation Reserve
Ford Pickup (Replacing NJWA 56)	R (528)		65,000	25/75	16,250	48,750	6,009	18,026
Mid Size pickup truck (Replacing NJWA 28)	R (511)		45,000	45/55	20,250	24,750	13,250	16,195
3 bottom field plow attachment for 70 Hp. John Deere tractor			2,000	30/70	600	1,400		
<b>TOTAL</b>			<b>112,000</b>		<b>37,100</b>	<b>74,900</b>	<b>19,259</b>	<b>34,221</b>
*Per Resolution #861, dated 7/12/93 Asset Definition minimum is \$1,000.					0			
Less Amount charged to Reservoir Depreciation Reserve					19,259			
Less Amount charged to WTP/TS Depreciation Reserve						34,221		
<b>Total</b>					<b>17,841</b>	<b>40,679</b>		
<b>Additional Depreciation Reserve</b>						<b>0</b>		
<b>Estimate</b>					<b>\$17,800</b>	<b>\$40,679</b>		

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 15 - July, 2020 – June, 2021 Fiscal Year 2021 G&A Expenses Split**

EMPLOYEE NAME	TOTAL	BUDGETED %		ACTUAL % (Timesheets)		VARIANCE UNDER (OVER)	
		(40) RESERVOIR	(50) WTP/TS	(40) RESERVOIR	(50) WTP/TS	(40) RESERVOIR	(50) WTP/TS
PLANT OPERATOR							
TIME SPLIT		0%	100%	0%	100%		
REGULAR	68,769.68	0.00	68,769.68	0.00	68,769.68	0.00	0.00
CLOTH.	550.00	0.00	550.00	0.00	550.00	0.00	0.00
O.T.	5,421.44	0.00	5,421.44	0.00	5,421.44	0.00	0.00
FRINGE	41,618.81	0.00	41,618.81	0.00	41,618.81	0.00	(0.00)
RESERVOIR SYSTEM OPERATOR							
TIME SPLIT		97%	3%	99%	1%		
REGULAR	44,944.28	43,595.95	1,348.33	44,494.84	449.44	(898.89)	898.89
CLOTH.	550.00	533.50	16.50	544.50	5.50	(11.00)	11.00
O.T.	7,952.84	7,714.26	238.58	7,873.31	79.53	(159.05)	159.05
FRINGE	29,351.39	28,470.85	880.54	29,057.87	293.52	(587.02)	587.02
PLANT OPERATOR							
TIME SPLIT		1%	99%	1%	99%		
REGULAR	64,294.16	642.94	63,651.22	642.94	63,651.22	0.00	(0.00)
CLOTH.	550.00	5.50	544.50	5.50	544.50	0.00	0.00
O.T.	6,360.39	63.60	6,296.79	63.60	6,296.79	0.00	(0.00)
FRINGE	40,029.45	400.29	39,629.16	400.29	39,629.16	0.00	(0.00)
PLANT OPERATOR							
TIME SPLIT		1%	99%	1%	99%		
REGULAR	54,058.42	540.58	53,517.84	540.58	53,517.84	0.00	(0.00)
CLOTH.	1,100.00	11.00	1,089.00	11.00	1,089.00	0.00	0.00
O.T.	6,548.53	65.49	6,483.04	65.49	6,483.04	(0.00)	0.00
FRINGE	34,987.33	349.87	34,637.46	349.87	34,637.46	0.00	(0.00)
FACILITES MECHANIC							
TIME SPLIT		48%	52%	53%	47%		
REGULAR	63,146.40	30,310.28	32,836.12	33,467.59	29,678.81	(3,157.31)	3,157.31
CLOTH.	550.00	264.00	286.00	291.50	258.50	(27.50)	27.50
O.T.	167.81	80.55	87.26	88.94	78.87	(8.39)	8.39
FRINGE	35,399.64	16,991.82	18,407.82	18,761.81	16,637.83	(1,769.99)	1,769.99
ASST. RESERVOIR SYSTEM OPER-WSA							
TIME SPLIT		95%	5%	99%	1%		
REGULAR	33,000.80	31,350.75	1,650.05	32,670.79	330.01	(1,320.04)	1,320.04
CLOTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O.T.	3,467.84	3,294.46	173.38	3,433.16	34.68	(138.70)	138.70
FRINGE	21,055.01	20,002.29	1,052.72	20,844.46	210.55	(842.17)	842.17
PROJECT ENGINEER 11							
TIME SPLIT		51%	49%	99%	1%		
REGULAR	76,763.18	39,149.22	37,613.96	75,995.55	767.63	(36,846.33)	36,846.33
CLOTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FRINGE	43,563.41	22,217.34	21,346.07	43,127.77	435.64	(20,910.43)	20,910.43
FAC. MECHANIC - WSA							
TIME SPLIT		48%	52%	53%	47%		
REGULAR	63,400.00	30,432.00	32,968.00	33,602.00	29,798.00	(3,170.00)	3,170.00
CLOTH.	550.00	264.00	286.00	291.50	258.50	(27.50)	27.50
O.T.	143.84	69.04	74.80	76.24	67.60	(7.20)	7.20
FRINGE	35,629.06	17,101.95	18,527.11	18,883.40	16,745.66	(1,781.45)	1,781.45
FOREMAN BUILDING & GROUNDS MAINT - WSA							
TIME SPLIT		94%	6%	94%	6%		
REGULAR	70,678.36	66,437.64	4,240.72	66,437.66	4,240.70	(0.02)	0.02
CLOTH.	550.00	517.00	33.00	517.00	33.00	0.00	0.00
O.T.	107.02	100.60	6.42	100.60	6.42	0.00	0.00
FRINGE	39,464.76	37,096.86	2,367.90	37,096.87	2,367.89	(0.01)	0.01

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 15 (Continued) July, 2020 – June, 2021 Fiscal Year 2021 G&A Expenses Split**

EMPLOYEE NAME	TOTAL	BUDGETED %		ACTUAL % (Timesheets)		VARIANCE UNDER (OVER)		
		(40)	(50)	(40)	(50)	(40)	(50)	
		RESERVOIR	WTP/TS	RESERVOIR	WTP/TS	RESERVOIR	WTP/TS	
			47%	53%	52%	48%		
FOREMAN FACILITIES MAINT.								
TIME SPLIT REGULAR	70,855.41	33,302.03	37,553.38	36,844.81	34,010.60	(3,542.78)	3,542.78	
CLOTH.	550.00	258.50	291.50	286.00	264.00	(27.50)	27.50	
O.T.	1,150.52	540.74	609.78	598.27	552.25	(57.53)	57.53	
FRINGE	40,261.56	18,922.92	21,338.64	20,936.01	19,325.55	(2,013.09)	2,013.09	
			43%	57%	56%	44%		
SR. WATER SUPPLY TECH. -WSA								
TIME SPLIT REGULAR	70,536.72	30,330.79	40,205.93	39,500.56	31,036.16	(9,169.77)	9,169.77	
CLOTH.	550.00	236.50	313.50	308.00	242.00	(71.50)	71.50	
O.T.	133.78	57.52	76.26	74.92	58.86	(17.40)	17.40	
FRINGE	39,466.17	16,970.44	22,495.73	22,101.06	17,365.11	(5,130.62)	5,130.62	
			93%	7%	98%	2%		
MAINT. WORKER 1								
TIME SPLIT REGULAR	44,023.20	40,941.57	3,081.63	43,142.74	880.46	(2,201.17)	2,201.17	
CLOTH.	550.00	511.50	38.50	539.00	11.00	(27.50)	27.50	
O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FRINGE	24,678.29	22,950.79	1,727.50	24,184.72	493.57	(1,233.93)	1,233.93	
			3%	97%	3%	97%		
PLANT OPERATOR								
TIME SPLIT REGULAR	60,789.28	1,823.68	58,965.60	1,823.68	58,965.60	(0.00)	0.00	
CLOTH.	550.00	16.50	533.50	16.50	533.50	0.00	0.00	
O.T.	4,939.95	148.20	4,791.75	148.20	4,791.75	(0.00)	0.00	
FRINGE	35,607.86	1,068.24	34,539.62	1,068.24	34,539.62	(0.00)	0.00	
			47%	53%	50%	50%		
SUPERVISOR TECH. ASST. & FAC. MAINT.								
TIME SPLIT REGULAR	81,868.71	38,478.29	43,390.42	40,934.36	40,934.35	(2,456.07)	2,456.07	
CLOTH.	550.00	258.50	291.50	275.00	275.00	(16.50)	16.50	
O.T.	2,271.83	1,067.77	1,204.06	1,135.92	1,135.91	(68.15)	68.15	
FRINGE	47,149.49	22,160.24	24,989.25	23,574.74	23,574.75	(1,414.50)	1,414.50	
			95%	5%	82%	18%		
ASST. RESERVOIR SYSTEM OPERATOR								
TIME SPLIT REGULAR	33,181.60	31,522.53	1,659.07	27,208.91	5,972.69	4,313.62	(4,313.62)	
CLOTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
O.T.	1,604.61	1,524.38	80.23	1,315.78	288.83	208.60	(208.60)	
FRINGE	20,810.58	19,770.06	1,040.52	17,064.68	3,745.90	2,705.38	(2,705.38)	
			25%	75%	25%	75%		
SUPERVISOR OPERATIONS MWSS-WSA								
TIME SPLIT REGULAR	108,470.02	27,117.51	81,352.51	27,117.51	81,352.51	0.00	0.00	
CLOTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FRINGE	61,185.61	15,296.43	45,889.18	15,296.40	45,889.21	0.03	(0.03)	
			97%	3%	99%	1%		
RESERVOIR SYS OPERATOR								
TIME SPLIT REGULAR	41,074.88	39,842.63	1,232.25	40,664.13	410.75	(821.50)	821.50	
CLOTH.	550.00	533.50	16.50	544.50	5.50	(11.00)	11.00	
O.T.	5,683.25	5,512.76	170.49	5,626.42	56.83	(113.66)	113.66	
FRINGE	26,155.87	25,371.21	784.66	25,894.32	261.55	(523.11)	523.11	
			50%	50%	52%	48%		
DIR. MWS/D&R CANAL OPERATIONS								
TIME SPLIT REGULAR	133,844.97	66,922.49	66,922.48	69,599.38	64,245.59	(2,676.89)	2,676.89	
CLOTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FRINGE	75,357.99	37,678.98	37,679.01	39,186.16	36,171.83	(1,507.18)	1,507.18	

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 15 (Continued) July, 2020 – June, 2021 Fiscal Year 2021 G&A Expenses Split**

EMPLOYEE NAME	TOTAL	BUDGETED %		ACTUAL % (Timesheets)		VARIANCE UNDER (OVER)		
		(40)	(50)	(40)	(50)	(40)	(50)	
		RESERVOIR	WTP/TS	RESERVOIR	WTP/TS	RESERVOIR	WTP/TS	
			50%	50%				
ADMIN. ASSISTANT					52%	48%		
TIME SPLIT								
REGULAR	64,321.68	32,160.84	32,160.84	33,447.27	30,874.41	(1,286.43)	1,286.43	
CLOTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FRINGE	35,726.88	17,863.45	17,863.43	18,577.98	17,148.90	(714.53)	714.53	
			37%	63%				
SUPERVISING PLANT OPERATOR					37%	63%		
TIME SPLIT								
REGULAR	75,209.92	27,827.67	47,382.25	27,827.67	47,382.25	0.00	0.00	
CLOTH.	550.00	203.50	346.50	203.50	346.50	0.00	0.00	
O.T.	2,116.36	783.04	1,333.32	783.05	1,333.31	(0.01)	0.01	
FRINGE	42,642.22	15,777.63	26,864.59	15,777.62	26,864.60	0.01	(0.01)	
			92%	8%				
MAINT WORKER I					98%	2%		
TIME SPLIT								
REGULAR	44,200.00	40,664.01	3,535.99	43,316.00	884.00	(2,651.99)	2,651.99	
CLOTH.	550.00	506.00	44.00	539.00	11.00	(33.00)	33.00	
O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FRINGE	24,855.46	22,867.03	1,988.43	24,358.35	497.11	(1,491.32)	1,491.32	
			95%	5%				
ASST. RESERVOIR SYS OPERATOR					99%	1%		
TIME SPLIT								
REGULAR	38,088.08	36,418.84	1,669.24	37,707.20	380.88	(1,288.36)	1,288.36	
CLOTH.	550.00	533.50	16.50	544.50	5.50	(11.00)	11.00	
O.T.	5,982.68	5,734.07	248.61	5,922.85	59.83	(188.78)	188.78	
FRINGE	24,373.70	23,305.77	1,067.93	24,129.96	243.74	(824.19)	824.19	
			2%	98%				
PLANT OPERATOR					2%	98%		
TIME SPLIT								
REGULAR	67,646.10	1,352.92	66,293.18	1,352.92	66,293.18	0.00	(0.00)	
CLOTH.	550.00	11.00	539.00	11.00	539.00	0.00	0.00	
O.T.	4,458.30	89.17	4,369.13	89.17	4,369.13	(0.00)	0.00	
FRINGE	37,165.01	743.30	36,421.71	743.30	36,421.71	0.00	(0.00)	
			94%	6%				
EQUIPMENT OPERATOR					94%	6%		
TIME SPLIT								
REGULAR	43,121.28	40,533.98	2,587.30	40,534.00	2,587.28	(0.02)	0.02	
CLOTH.	550.00	517.00	33.00	517.00	33.00	0.00	0.00	
O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FRINGE	24,242.18	22,787.64	1,454.54	22,787.65	1,454.53	(0.01)	0.01	
			62%	38%				
WATER SUPPLY TECH - WSA					95%	5%		
TIME SPLIT								
REGULAR	60,045.25	37,228.06	22,817.19	57,042.99	3,002.26	(19,814.93)	19,814.93	
CLOTH.	550.00	341.00	209.00	522.50	27.50	(181.50)	181.50	
O.T.	46.69	28.95	17.74	44.36	2.33	(15.41)	15.41	
FRINGE	33,536.25	20,792.48	12,743.77	31,859.43	1,676.82	(11,066.95)	11,066.95	
			48%	52%				
FAC. MECHANIC-WSA					51%	49%		
TIME SPLIT								
REGULAR	54,007.68	25,923.68	28,084.00	27,543.92	26,463.76	(1,620.24)	1,620.24	
CLOTH.	550.00	264.00	286.00	280.50	269.50	(16.50)	16.50	
O.T.	60.40	28.99	31.41	30.80	29.60	(1.81)	1.81	
FRINGE	30,247.34	14,518.73	15,728.61	15,426.14	14,821.20	(907.42)	907.42	
			4%	96%				
PLANT OPERATOR					4%	96%		
TIME SPLIT								
REGULAR	57,018.30	2,280.73	54,737.57	2,280.73	54,737.57	0.00	(0.00)	
CLOTH.	550.00	22.00	528.00	22.00	528.00	0.00	0.00	
O.T.	6,073.80	242.95	5,830.85	242.95	5,830.85	0.00	(0.00)	
FRINGE	33,152.93	1,326.12	31,826.81	1,326.12	31,826.81	(0.00)	0.00	
	(60)	(40)	(50)	(40)	(50)	(40)	(50)	
REGULAR	1,687,358.36	797,131.62	890,226.74	885,740.73	801,617.63	(88,609.11)	88,609.11	
CLOTH.	12,100.00	5,808.00	6,292.00	6,270.00	5,830.00	(462.00)	462.00	
O.T.	64,691.88	27,146.54	37,545.34	27,714.03	36,977.85	(567.49)	567.49	
FRINGE	977,714.23	462,802.73	514,911.50	512,815.22	464,899.01	(50,012.49)	50,012.48	
GRAND TOTAL	2,741,864.47	1,292,888.89	1,448,975.58	1,432,539.98	1,309,324.49	(139,651.09)	139,651.09	

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 16 - Estimate of Interest Income**

Fiscal Year 2023 Budget

Fund/Reserve	TD Bank Funds	
Operating	\$8,330,000	
Reserve for O & M	1,600,000	
General Reserve (Rate Stabilization Fund)	40,000	
Pumping Reserve	154,000	
Self-Insurance Reserve	215,000	
Sediment Reserve	315,000	
Estimated Total	\$10,654,000	
	\$10,654,000 x.25% =	\$26,635
	Total	\$26,635
	Estimate	\$26,600

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

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 17 - Unanticipated Revenue**

Funds to be Appropriated into Rate Stabilization fund for Fiscal Year 2023

	Amount																				
F/Y2021 Net Year-End Balance	\$ 430,250																				
Excess D/S Coverage FY2022	\$ 118,000																				
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Overdraft</th> <th style="text-align: left; border-bottom: 1px solid black;">Invoice No.</th> <th style="text-align: left; border-bottom: 1px solid black;">Inv. Date</th> <th style="text-align: right; border-bottom: 1px solid black;">Amount</th> </tr> </thead> <tbody> <tr> <td>NJ American</td> <td>MM-382</td> <td>Mar-21</td> <td style="text-align: right;">\$ 15,913</td> </tr> <tr> <td></td> <td>MM-384</td> <td>Apr-21</td> <td style="text-align: right;">\$ 9,982</td> </tr> <tr> <td></td> <td>MM-385</td> <td>May-21</td> <td style="text-align: right;">\$ 1,747</td> </tr> <tr> <td></td> <td>MM-389</td> <td>Jun-21</td> <td style="text-align: right;">\$ 8,236</td> </tr> </tbody> </table>	Overdraft	Invoice No.	Inv. Date	Amount	NJ American	MM-382	Mar-21	\$ 15,913		MM-384	Apr-21	\$ 9,982		MM-385	May-21	\$ 1,747		MM-389	Jun-21	\$ 8,236	
Overdraft	Invoice No.	Inv. Date	Amount																		
NJ American	MM-382	Mar-21	\$ 15,913																		
	MM-384	Apr-21	\$ 9,982																		
	MM-385	May-21	\$ 1,747																		
	MM-389	Jun-21	\$ 8,236																		
Used in FY21	\$ -																				
Available for use in FY23	\$ 35,878																				

Additional Sources

<b>Total Available</b>	<b>\$ 584,128</b>
<b>Estimate for FY23</b>	<b>\$ 584,130</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 18 - Fund Balances as of 6/30/21**

\*\*Final\*\*

	REVENUE FUND	OPERATING ACCOUNT	OPERATING FUND	O & M RESERVE	LONG TERM INVESTMENTS O & M RESERVE	TOTAL
BALANCE 6/30/21 (Does not include Debt Service payment)	\$ 2	\$ 391,887	\$ 8,175,618	\$ 1,604,939	\$ -	\$ 10,172,446
Add: NJ-American, JCP&L expenses for June 2021			\$ 14,299			14,299
Deduct: Accrued expenses to be paid as of 6/30/21			(73,042)			(73,042)
Deduct: June 10th billing, received			(325,761)			(325,761)
Adjusted Balances 6/30/21	\$ 2	\$ 391,887	\$ 7,791,114	\$ 1,604,939	\$ -	\$ 9,787,942
INCOME						
Operating Transfer	(310,000)		310,000			-
Receipt of WTP/TS G&A expenses for the month of June 2021, 7/31/21 billing			300,000			300,000
EXPENSES						
O & M Expenses - (A/P-6/30/21) includes accrued payroll thru 6/30/21			(296,327)			(296,327)
Capital items to be purchased by 6/30/21			-			-
Payment of Headquarters overhead expenses - to be paid 7/01			(135,500)			(135,500)
Contributions to Various Reserves- 7/21			(37,500)			(37,500)
ADJUSTED BALANCE AT 6/30/21	\$ (309,998)	\$ 391,887	\$ 7,931,787	\$ 1,604,939	\$ -	\$ 9,618,615
Less: O & M Reserve Balance (Goal is 3 months O & M Expenses as dictated by Bond Resolution)						(840,468)
<b>Balance of projected funds available</b>						<b>\$ 8,778,147</b>
Use of Available Funds						
Unanticipated revenues (overdrafts in FY21 to be available to the General Fund for FY23) NJ American Water						\$ (35,878)
Appropriate FY22 net fund balance into the General Fund (Rate Stabilization) to be used for rate stabilization						(490,570)
<b>Balance of funds to be used for future years</b>						<b>\$ 8,251,700</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 19 - Operations & Maintenance Expense Component and Debt Service Cost**  
**Component Sales Base**  
Projected Fiscal Year 2023

USER	ALLOCATION (mgd)
Avon, Borough of	0.126
Belmar, Borough of	0.288
Brielle, Borough of	0.450
Keyport, Borough of	0.356
Matawan, Borough of	0.332
New Jersey American Water	12.500
Red Bank, Borough of	0.548
Sea Girt, Borough of	0.040
Shorelands Water Company (acquired by NJ American)	2.007
Lake Como, Borough of	0.100
Spring Lake, Borough of	0.310
Spring Lake Heights, Borough of	0.386
Wall Township	2.000
<b>OPERATIONS &amp; MAINTENANCE/DEBT SERVICE SALES BASE</b>	<b>19.443 mgd</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
 MANASQUAN RESERVOIR WATER SUPPLY AUTHORITY

**Schedule 20 - Operations and Maintenance Rate Component (19.443mgd)**

Fiscal Year 2023

Funds Required for F/Y2023 Budget

Total Budget Requirements	\$	3,772,441
Miscellaneous Revenues	\$	(610,730)
Net Budget Requirement	\$	3,161,711
Less - Quarterly O&M payment on July 10, 2022 (cash received in July for water used in April, May and June of 2021 based on \$445.82/mg)	\$	(788,795)
Additional Revenue required from last three (3) Quarterly payments in F/Y2023 to cover Operations & Maintenance expenses through 6/30/23	\$	2,372,916

Computation of Operations & Maintenance Rate for Fiscal Year 2023

Required Operations & Maintenance Rate F/Y2023	$\frac{\$2,372,916}{5,322.52^*}$	=	\$ 445.82/mg
--	----------------------------------	---	--------------

\* Four (4) Quarters Sales =

	19.443 mgd x 365	=	7,096.70mg/yr
Rate Calculation for Required revenues due for payment on 10/10/22, 1/10/23 and 4/10/23:			
Sales Base =			
	7,096.70 x 3/4	=	5,322.52/mg

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 21 - Computation of Delayed Water Purchase Debt Service Rates**

NJAW – 1.000MGD CONTRACT - 07/01/01  
1.935MGD CONTRACT – 10/01/02  
1.500MGD CONTRACT – 01/01/05

Delayed Debt Service

Debt Service for Fiscal Year 2023 \$ 591,588

Debt Service Fund Interest Income and Other  
Available Resources \$ -

Net Debt Service Obligation \$ 591,588

Coverage Requirement = Net Debt Service  
Obligation x 20% \$ 118,318

Total to be Recovered by Rates \$ 709,905

Debt Service Rate Effective 7/01/22 \$ 709,905 = \$ 438.54mg  
365 x 4.435/mgd = 1,618.78mg 1,618.78mg

Equalization Factor 0.38  
\$ 438.92mg

NEW JERSEY WATER SUPPLY AUTHORITY  
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 22 - Computation of Base Debt Service Rates**

**INTAKE PUMP STATION BUILDING**

Initial Water Purchasers (14.980 MGD) – 7/01/15  
 Shorelands Delayed Purchase Contract (.028MGD) – 7/01/06  
 NJ American Delayed Purchase Contract (4.435MGD)\*

NJEIFP Debt Service for Fiscal Year 2023	\$	178,967
Rate Equalization Adjustment		
Debt Service Rate Effective 7/01/2021	<u>\$ 178,967</u>	= \$ 25.22/mg
365 x 19.443/mgd =7,096.70mg	7,096.70mg	
Equalization Factor		(0.29)
		\$ 24.93/mg

\*Delayed Water Purchase Contracts  
 NJ American 1.000mgd 07/01/01  
 1.935mgd 10/01/02  
 1.500mgd 01/01/05

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**Schedule 23 - 2023 Bond Debt Service Coverage**

Fiscal Year 2023  
(7/1/22-6/30/23)

DEBT SERVICE COVERAGE

	<u>Budgeted F/Y2023</u>
<u>Revenues</u>	
Uninterruptible Water Sales	\$ 7,357,403
Interest Income	\$ 26,600
Total Revenues	<u>\$ 7,384,003</u>
 <u>Expenses</u>	
O&M Costs	\$ 2,818,990
Overhead Allocation	\$ 646,000
Total O&M	<u>\$ 3,464,990</u>
Cash Available for Debt Service - A	\$ 3,919,013
Net Debt Service Expense	\$ 591,588
Debt Service Coverage Calculation - A/B	6.62
Cash After Debt Service A-B	\$ 3,327,425

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**Schedule 24 - Rehabilitation Reserve and Capital Improvement Program**

Manasquan Reservoir Project Description	Renewal & Repl. Reserve	FY22	FY23	FY24	FY25	FY26+
Dam Emergency Contingency	\$400,000					
Pipeline Replacement Under I-195	\$950,000					
Pumping Equipment Replacement	\$650,000					
Replacement of Electric Motor & Valve Operator for 36" Reservoir Return Valve		\$10,000				
Design replacement wells for piezometers in Dam Embankment		\$100,000				
Paving Intake Parking Lot and Administration Parking Area			\$100,000			
Rehabilitation Pump and Motors at Reservoir & Intake Pumping Stations				\$40,000	\$40,000	
Traveling Water Screen Repair #5 & #6		\$100,000				
Security System Camera and DVR replacement				\$45,000		
Consulting Services to Investigate & Design Reservoir Algae Control System		\$50,000				
Drill 4 Piezometer Wells Manasquan Dam			\$300,000			
Replace Overhead Garage Doors (Maint. Shop/Pump Bay/Vehicle Bay)			\$21,000	\$25,000		
Replace Control Panel at Reservoir IO Building		\$45,000				
Rehabilitation of T2 Transformer and Oil Change			\$45,000			
Replace Pumps (#1,2,3,5)			\$200,000		\$150,000	\$200,000
Replace Valve Body Gasket on Reservoir Pipeline Valve			\$15,000			
Replace 2 % KVA Breakers in Substation					\$40,000	
Replace Balance of Metal Roof on Admin Portion of RPS Building				\$130,000		
<b>Total*</b>	<b>\$2,000,000</b>	<b>\$305,000</b>	<b>\$681,000</b>	<b>\$240,000</b>	<b>\$230,000</b>	<b>\$200,000</b>
Renewal and Replacement Balance June 2021	\$4,160,000					
Projected Balance End of Fiscal Year with annual regular deposit		\$3,975,000	\$3,294,000	\$3,054,000	\$2,824,000	\$2,624,000
*Minimum Balance Required		\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Revised Balance		\$1,975,000	\$1,294,000	\$1,054,000	\$824,000	\$624,000
Additional Deposit Requirements		\$0	\$0	\$0	\$0	\$0

**New Jersey Water Supply Authority  
Manasquan Water Supply System**

**Update of the Renewal and Replacement Reserve and Capital Improvement Program**

**Prepared by**

**Paul McKeon, P.E., Director, Manasquan Water Supply System and  
Delaware & Raritan Canal Operations**

**MANASQUAN WATER SUPPLY SYSTEM  
RENEWAL/REPLACEMENT RESERVE & CAPITAL IMPROVEMENT PROGRAM  
Fiscal Years 2023-2027  
Updated September 2021**

## **Introduction**

The New Jersey Water Supply Authority (Authority) operates and maintains the Manasquan Water Supply System including the Intake Facilities located in Wall Township, the Manasquan Reservoir located in Howell Township and 5-1/4 miles of 66-inch diameter pipeline which connects the Intake Facilities to the Reservoir. The Manasquan Water Supply System was constructed between 1987-1990 and commenced operation on July 1, 1990.

Construction of this system was financed by the issuance of Bonds under the authorization of Authority Bond Resolution No. 295 dated April 16, 1987. The Bond Resolution provides for rates for water use to include an excess payment of 20% (effective February 1, 1994) of the annual debt service, identified as 120% debt service coverage. During the initial years, this excess payment flowed into the debt service reserve account until an amount equal to 50% of the annual debt service had been accumulated. Thereafter, the 20% excess debt service is to be used to establish a Renewal & Replacement Reserve and to fund a Capital Improvement Program (CIP) for the facilities.

A Capital Improvement Program funded by the Renewal and Replacement Reserve was first recommended in September 1996. This is an update of the CIP.

The Renewal and Replacement Reserve for Extraordinary Operations and Maintenance Costs is fully funded as recommended.

## **Renewal and Replacement Reserve for Extraordinary Operations and Maintenance Costs**

### **Problems with the Earthen Dam Embankments**

The Manasquan Reservoir dam and dikes are inspected by the Authority's operations and engineering staff to provide early detection of situations which, if uncorrected, could lead to serious problems. There are no indications of problems with any of the embankments at the present time. It is unlikely that a major catastrophic dam failure will occur as a result of the weather. A more common occurrence would be surface erosion especially in areas where good turf is not established. The periodic inspection of the embankments shows good establishment of turf. On-site maintenance staff has implemented various measures to improve the grass cover on the dams. Continued long-term success of these measures is dependent on continued maintenance and weather.

The Reserve includes funds that can be used to repair any surface erosion that cannot be repaired by Authority maintenance forces.

### **Replacement of Pipe under Interstate Route 195**

The Manasquan Reservoir pipeline is a 5-1/4 mile long, 66-inch diameter pre-stressed concrete cylinder pipeline (PCCP) constructed in the 1980s. A 380-foot long section of 72-inch diameter PCCP was installed beneath Interstate Route 195 during its construction for use in connection with the pipeline between the reservoir pumping station and the reservoir. This section of pipe was manufactured by Interpace Co. in the late 1970's. This vintage PCCP is suspect because of the type

of pre-stressing wire used in its manufacture and the "inadequate" quality control used in the application of the mortar coating.

A rupture of this section of pipe could be catastrophic and result in major disruptions to Route 195. Repair costs could easily amount to several million dollars. Therefore, the section of pipe under Route 195 is dewatered and inspected tri-annually to monitor its condition. It was last inspected by two of the Authorities staff engineers in April of 2021 and found to be in satisfactory condition and with no change from 2016. One line valve was found to have a ripped seat which will be investigated further in 2022.

The entire length of the pipeline was inspected in March of 2016. The interior concrete lining was sounded with a 57-inch piece of black iron pipe with caps welded to the ends. The lining was continuously sounded for hollow regions that may be indicative of a loss of prestress and therefore exterior pipe distress. Sounding was carried out on both sides of the pipe approximately in the 2-4 o'clock range and the 8-10 o'clock range at approximately 6 to 12-inch intervals. Other features such as spalled concrete linings were noted throughout the inspection. The Manasquan Reservoir 66-inch pipeline is in good condition. The items noted during the internal inspection were minor in nature and are not indicative of pipeline distress.

\$950,000 is included in the Renewal and Replacement Reserve to insert a 66" diameter steel pipe into the PCCP under Route 195 or to replace other sections of pipe as needed.

#### Replacement of Pumps or Equipment

Five (5) 600-horsepower pumps are used at the Intake Pumping Station to pump water from the Manasquan River to the pre-sedimentation pond at the Reservoir Pumping Station. Five (5) 900-horsepower pumps are used at the Reservoir Pumping Station to pump water from the pre-sedimentation pond to the Reservoir. The estimated replacement cost for each unit, including a variable frequency drive, is \$650,000. Replacement costs for the units would be dependent on the problem but would be limited to the cost of replacement.

All pumps and motors have been physically inspected, vibration tested and pump efficiency tested in 2013 with retesting of some units in 2016 through 2020. The reservoir pumps typically operate only 100 hours per year and at an average speed of only 630 rpm. Therefore wear on these units is minimal. Additionally, only two of the five river intake pumps have significant hours of use each year. However, it is appropriate to include funds in a Renewal & Replacement Reserve to rehabilitate or replace a single unit in case of an unforeseen failure or damage from lightning.

Furthermore, these funds could be used to rehabilitate or replace other major equipment such as a large 6000 KVA electrical transformer as well. The combined construction cost for the Intake Pumping Station and the Reservoir Pumping Station was approximately \$30,000,000 (1990 dollars). The recommended reserve of \$650,000 represents 2% of the total construction cost.

## **Planned Capital Improvements - Fiscal Years 2022-2026**

### Design replacement wells for Eight Piezometers in the Reservoir Dam Embankment

Design is needed for locating and preparing contractor specifications for 4-8 piezometer wells that need to be drilled in 2022 to replace eight piezometers that failed in 2018-2020. Included in this project is supervision of the well driller on a limited basis.

### Replacement of Electric Motor and Valve Operator for 36-Inch Reservoir Return Valve

The valve for controlling the flow of reservoir water into the flow meter valve chamber for use by the Water Treatment plant has become a critical piece of equipment over the last ten years. Often in the summer the river water quality after rain storms is so poor for several weeks that only reservoir water can be treated at the water treatment plant. Therefore it is critical that this valve is always fully operational and automated so that the water treatment plant can meet water quality standards and contract flows particularly in the summer and fall.

### Paving Intake Parking Lot, Reservoir Turnaround, Administration Parking Area

These parking and access areas are breaking apart and need to be milled and repaved. There have been cracks filled in these surfaces for years in the past.

### Rehabilitation of Large Motors

The motors have been in service for many years and develop oil leaks and problems needing attention.

### Renovation of Traveling Water Screens

The eight traveling water screens at the Intake Pumping Station are in need of service over time. A 2015 inspection found all units to be in good condition except one which was refurbished in 2016. In FY2021 units #3 and #4 were rebuilt with new chains and sprocket teeth for just under \$50,000.00. It was determined that #5 and #6 were in need of the same repairs and some additional underwater repair. Funding is included to rehabilitate two more of the remaining seven units in 2022.

### Security System Replacement at the Reservoir

In response to the Public Health Security and Bioterrorism Response Act of 2002 and an Executive Order issued on July 18, 2002 by the State of New Jersey identifying critical facilities that require vulnerability assessments, the Authority contracted with a consultant to develop a comprehensive security vulnerability assessment (VA) and implement recommendations of the VA. Recommendations were provided for changes in security policies and procedures, minimum and additional upgrades to the physical protection systems (PPS) and processes. Estimates of probable

capital costs were developed for the minimum and additional PPS for system facilities.

A web-based seven camera system and DVR was installed for the reservoir embankment and IO tower area and was installed in FY2017. This system will need to be replaced with similar cameras and a new DVR and software by 2024. The system at the Administration building will also need to be replaced at that time.

#### Replace Control Panel at Reservoir IO Building

The control panel at the reservoir IO tower is 30 years old and only the reservoir dam indicators report automatically. The system should be upgraded to maintain reliability of control from the central location at the top level of the IO tower. Also, by replacing the panel with a programmable logic controller (PLC) the Authority will be able to combine all of the valve position information and operations into one LCD display and relay this information back to the office in Wall using the FIOS service that is now in the building. Presently only one of the eight electric valves can be controlled from the office in Wall Township.

#### Drill 4 Piezometer Wells Manasquan Dam

A consultant in 2018 reported four points of failure and poor monitoring of the existing embankment monitoring system on the downstream slope of the Manasquan Dam. Four new wells are needed to rectify the monitoring deficiencies that have occurred over the 30 years since the original system was installed. In 2020 it was found that eight of the 35 piezometers measuring water depth in the dam and dike embankments are no longer functioning. Given that the eight are buried they cannot be replaced. Four new wells are needed to be drilled at various depths to handle two piezometers each. A separate project will be generated to install and set up communications from the piezometers to the existing ADAS computer system.

#### Replace Overhead Garage Door For the Administration Building Maintenance Shop

The overhead garage doors are 35 years old and failing and need to be replaced.

#### Replace Overhead Garage Door For the Reservoir Pump Station Bay

The overhead garage doors are 35 years old and failing and need to be replaced.

#### Consulting Services to Investigate and Design Reservoir Algae Control System

Recently NJDEP has put in place stringent algae toxin prevention and notification rules. Staff believes that investigating the installation of a mixing or aeration system to control summer algae blooms may be a better solution to prevent algae proliferation than the current methods in place. Staff wants to solicit technical proposals and a design that would lead to the most cost effective solution specific to the Manasquan Reservoir.

### Replace the Balance of Metal Roof on Administration Portion of RPS Building

Two thirds of the metal roof is original to the building in 1990. This portion of the roof needs to be replaced as there are several leaks during driving rains.

### Rehabilitation of T2 Transformer and Oil Change

The transformer oil was replaced in one of the two 15 KVA breakers in 2020. The oil in the other transformer should be replaced in 2023.

### Replacement of Pump #1 Reservoir Pumping Station

There are five vertical turbine pumps with 600-hp motors at the Intake Pumping Station (IPS). There are five vertical turbine pumps with 900-hp motors at the Reservoir Pumping Station (RPS).

The Authority has undertaken a multi-faceted, multi-year program to service all ten pumps and motors at the intake and reservoir pump stations. The first phase, which began in 2003, includes the servicing of a pump at the RPS and a motor at the IPS each year. All pumps and motors were physically inspected; vibration tested and pump efficiency tested once per year. In 2016 through 2021, all but one was within acceptable performance tolerances. Based on the condition of the other pumps this pump will need replacement.

### Refurbish Intake Pump #2

Intake pump #2 will be in service for 35 years and will be in need of refurbishment as indicated by the condition of pump #3 in 2021.

### Refurbish RPS Pump #3

This pump has the most running hours of all the RPS pumps. The condition of the IPS pumps recently refurbished indicate that although this pump is pumping at rated capacity and does not have excessive vibration, it likely has deteriorating line shaft bearings, bolt connections and shaft bearings.

### Refurbish Intake Pump #5

Intake pump #5 will be in service for 35 years and will be in need of refurbishment as indicated by the condition of pump #3 in 2021.

### Replace Valve Body Gasket on Reservoir Pipeline Valve

The gasket bolted into the body of the 66-inch butterfly valve is damaged and needs to be replaced for safe entry into the pipe. The valve is on the north side of NJ Highway 195.

### Replace two 5 KVA breaker in substation

Two of the breakers have to be replaced due to age and leaking contactor vacuum bottles.

**PART III – PROPOSED RULE AMENDMENTS**

NEW JERSEY WATER SUPPLY AUTHORITY

AMENDMENTS TO THE SCHEDULE OF RATES, CHARGES AND  
DEBT SERVICE ASSESSMENTS FOR THE SALE OF WATER FROM THE  
MANASQUAN RESERVOIR WATER SUPPLY 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. 7:11-4.1, et seq. Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

7:11-4.3 Operations and Maintenance Expense Component

(a) – (b) (No change.)

(c) Operations and Maintenance Expense Component:

<u>Effective Date</u>	<u>Rate/Million Gallons</u> (based upon a 19.443 per day sales base)
July 1, [2021] <b>2022</b>	\$445.82

7:11-4.4 Debt Service Cost Component

(a) (No change.)

(b) A delayed water purchase surcharge will be assessed to all water purchasers who entered into a water purchase contract for an uninterruptible service commencing subsequent to the system operation date (delayed water purchase contract). This includes a purchaser under an Initial water purchase contract, which provides for an increase in the amount of Uninterruptible service

effective subsequent to the system operation date.

1. The following debt service rate based on a sales base of 4.435 million gallons per day, applies to the delayed water purchase contract commencing July 1, 2001, October 1, 2002, and January 1, 2005. [in lieu of the debt service rate set forth in (b) above.]

<u>Period</u>	<u>Rate/Million Gallons</u>
7/1/ [2021] <b>2022</b> to	(Coverage 120%)
6/30/[2022] <b>2023</b>	\$438.92

(c) (No change.)

7:11-4.5 Capital Fund Component

(a) (No change.)

(b) (No change.)

(c) Capital Fund Assessment – initial water purchase contract customers

<u>Period</u>	<u>Rate/Million Gallons</u>
7/1/[2021] <b>2022</b> to	\$525.00
6/30/[2022] <b>2023</b>	

(d) (No change.)

(e) Capital Fund Assessment – delayed water purchase contract customers

<u>Period</u>	<u>Rate/Million Gallons</u>
7/1/[2021] <b>2022</b> to	\$200.00
6/30/[2022] <b>2023</b>	

7:11-4.6 Source water protection fund component

(a) (No change.)

(b) The source water protection fund component is as follows:

<u>Period</u>	<u>Rate/Million Gallons</u>
7/1/[2021] <b>2022</b> to	
6/30/[2022] <b>2023</b>	\$15.00

7:11-4.7 New Jersey Environmental Infrastructure Financing Program debt component

(a) (No change.)

(b) The New Jersey Environmental Infrastructure Financing Program debt component is as follows:

<u>Period</u>	<u>Rate/Million Gallons</u>
7/1/[2021] <b>2022</b> to	
6/30/[2022] <b>2023</b>	\$24.93

**Appendix I. Report of Mercadien PC – Allocation of Headquarters General and  
Administrative Expenses – FY 2023**

**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)**

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## **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. #	DEPT./COST CENTER	COST CENTER COSTS	RECLASSIFICATIONS									REVISED COST CENTER COSTS
			1 HEATING/ ELECTRIC	2 VEHICULAR FUEL	3 PROFESSIONAL FEES	4 INSURANCE	5 TELEPHONE	6 PERMITS	7 WORKERS' COMPENSATION	8 IN LIEU TAXES	9 CHIEF ENGINEER SALARY & 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 (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 COST CENTER COSTS	ALLOCATION BASIS											ALLOCATED COST CENTER COSTS			
			# OF SQ. FT.	# OF TELEPHONES	# OF EMPLOYEES	100 % RARITAN O&M	# OF EMPLOYEES	# OF P.O.s	# OF COMPUTERS	MGD CONTRACTS	O&M BUDGET	# OF VEHICLES	# OF VEHICLES		TIME 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 (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 TIME STUDY	2 \$ VALUE OF VEHICLES	3 \$ VALUE OF EQUIPMENT	4 TIME STUDY	5 \$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**

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**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**

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**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

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**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.

**Appendix II. Report of Mercadien PC – Allocation of Headquarters General and Administrative Expenses – Audited FY 2021 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)**

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## 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. #	DEPT./COST CENTER	COST CENTER COSTS	RECLASSIFICATIONS									REVISED COST CENTER COSTS	
			1 HEATING/ ELECTRIC	2 VEHICULAR FUEL	3 PROFESSIONAL FEES	4 INSURANCE	5 TELEPHONE	6 PERMITS	7 WORKERS' COMP.	8 IN LIEU TAXES	9 CHIEF ENGINEER SALARY & 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 (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 COST CENTER COSTS	ALLOCATION BASIS											ALLOCATED COST CENTER COSTS		
			# SQ. FT.	# OF TELEPHONES	# OF EMPLOYEES	100 % RARITAN O&M	# OF EMPLOYEES	# OF P.O.s	# OF COMPUTERS	MGD CONTRACTS	O&M BUDGET	# OF VEHICLES	# OF VEHICLES		TIME 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 (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 TIME STUDY	2 \$ VALUE OF VEHICLES	3 \$ VALUE OF EQUIPMENT	4 TIME STUDY	5 \$VALUE OF WATER 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**

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**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

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**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

THURSDAY, FEBRUARY 3, 2022

ON PROPOSED AMENDMENTS TO THE  
SCHEDULE OF RATES, CHARGES AND DEBT SERVICE ASSESSMENTS  
FOR THE SALE OF WATER  
FROM THE  
MANASQUAN RESERVOIR WATER SUPPLY 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:

Asbury Park Press	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.

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Marc Brooks  
Executive Director  
February 3, 2022



## NEW JERSEY WATER SUPPLY AUTHORITY

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

### NEW JERSEY WATER SUPPLY AUTHORITY

#### **Notice of Rate Proposal – Manasquan Reservoir System**

Take notice that 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 Manasquan Reservoir System in Monmouth County, New Jersey to cover Operational and Debt Service expenses for the Authority's fiscal year which commences on July 1, 2022.

The proposed rates will constitute no change in FY2023 to the existing regulations found at N.J.A.C. 7:11-4.1 et seq. as follows: no change in the sales base of 19.443 million gallons per day applied to all contract customers in the calculation of the Operations and Maintenance Component, the Source Water Protection Component, and the NJEIFP Debt Components of the rate; no change in the Operations and Maintenance Component from of \$445.82 per million gallons; no change in the NJEIFP Debt Component of \$24.93 per million gallons; no change in the Source Water Protection Fund Component of \$15.00 per million gallons; and no change in the Capital Fund Component of \$525.00 per million gallons for all initial water purchase contract customers. The Capital Fund Component sales base will be 15.008 million gallons per day for all initial water purchase contract customers. There will be no change in the Debt Service Component for all delayed water purchase contracts of \$438.92 per million gallons and no change in the Capital Fund Component of \$200.00 per million gallons. There is no change in the debt service sales base of 4.435 million gallons per day applied to all delayed water purchase contract customers. The Capital Fund Component sales base for all delayed water purchase contract customers will also be 4.435 million gallons per day.

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 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 11:00 a.m. on Thursday, January 6, 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. 7:11-4.16.

Notice is hereby given that the Authority will hold a Public Hearing by means of online platform and teleconference call on Thursday, February 3, 2022 at 11:00 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)

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DEC 27 7:21 AM '21

244365 M.

**Agency:**

NJ WATER SUPPLY AUTHORITY  
 1851 STATE ROUTE 31  
 CLINTON, NJ 08809  
 ATTN: Isabel

Acct: ASB-027378

**Client:**

NJ WATER SUPPLY AUTHORITY  
 1851 STATE ROUTE 31,  
 CLINTON, NJ 08809

Acct No: ASB-027378

**This is not an invoice**

Order #	Advertisement/Description	# Col x # Lines	Rate Per Line	Cost
0005042405	NEWJERSEYWATERSUPPLYAUTHORITYNOTICEOFRATEPRC SALMANASQUANRESERVOIRSYSTEMTAKENOTICETHATPUF UANTTOTHEPROVISIONSOFCAPTER293OFTHELAWSO	2 col x 73 lines	\$0.45	\$65.70
		Affidavit of Publication Charge	1	\$35.00
		Tearsheet Charge	0	\$0.00
		Net Total Due:		\$100.70

Run Dates: 12/16/2021

Check #: \_\_\_\_\_

Date: \_\_\_\_\_

CERTIFICATION BY RECEIVING AGENCY  
 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.

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

CERTIFICATION BY APPROVAL OFFICIAL  
 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:

APPROPRIATION ACCOUNT(S) AND AMOUNTS CHARGED: P.0. # \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

CLAIMANT'S CERTIFICATION AND DECLARATION:  
 I DO SOLEMNLY DECLARE AND CERTIFY UNDER THE PENALTIES OF THE 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: 12/16/2021

Signature: Deise Robert

Federal ID #: 061032273

Official Position: Clerk

Kindly return a copy of this bill with your payment so that we can assure you proper credit.

**Asbury Park Press**  
 New Jersey Press Media Solutions  
 P.O. Box 677599

DEC 30 '21 AM 8:21

**AFFIDAVIT OF PUBLICATION**

**Publisher's Fee \$65.70    Affidavit \$35.00**

---

**STATE OF WISCONSIN**  
**Brown County**

Personally appeared Denise Roberts at County of Brown, State of Wisconsin.

Of the **Asbury Park Press**, newspaper printed in Freehold, New Jersey and published in Neptune, in State of New Jersey and Monmouth/Ocean Counties, and of general circulation in Monmouth/Ocean Counties, who being duly sworn, depose and saith that the advertisement of which the annexed is a true copy, has been published in the said newspaper 1 times, once in each issue dated as follows:

12/16/2021    A.D 2021

Kathleen Allen  
Notary Public State of Wisconsin County of Brown

1-7-25

My commission expires

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

NEW JERSEY WATER SUPPLY AUTHORITY  
Notice of Rate Proposal – Manasquan Reservoir System

Take notice that 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 Manasquan Reservoir System in Monmouth County, New Jersey to cover Operational and Debt Service expenses for the Authority's fiscal year which commences on July 1, 2022.

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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 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 11:00 a.m. on Thursday, January 6, 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. 7:11-4.16.

Notice is hereby given that the Authority will hold a Public Hearing by means of online platform and teleconference on Thursday, February 3, 2022 at 11:00 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.

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[info@njwsa.org](mailto:info@njwsa.org)  
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# Star Ledger

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 Dept 77571  
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Date	Position	Description	P.O. Number	Costs
12/16/2021	Notices NJ	NEW JERSEY WATER SUPPLY AUTHORITY Notice of Rate Proposal	Notice of Rate Proposal - Manasquan	
			Ad Size	
			1 x 112 L	
			Affidavit Fee - 12/16/2021	\$90.00
			Basic Ad Charge - 12/16/2021	\$173.60
			Total	\$263.60

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: _____
Title: _____	P.O.#: _____
Date: _____	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 –  
Manasquan Reservoir System

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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 11:00 a.m. on Thursday, January 6, 2022 to present and explain the rate adjustment proposal.

plan 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. 7:11-4.16.

Notice is hereby given that the Authority will hold a Public Hearing by means of online platform and teleconference on Thursday, February 3, 2022 at 11:00 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)  
12/16/21

\$173.60

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#: 0010189921

Sales Rep: NJ LegalRepNJ  
Account Number:1160910  
AD#: 0010189921

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

Date	Position	Description	P.O. Number	Ad Size	Costs
12/16/2021	Notices NJ	NEW JERSEY WATER SUPPLY AUTHORITY Notice of Rate Proposal	Notice of Rate Proposal - Manasquan	2 x 90 L	
				Affidavit Notary Fee - 12/16/2021	\$25.00
				Basic Ad Charge - 12/16/2021	\$52.20
				Total	\$77.20

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 –  
Manasquan Reservoir System**

Take notice that 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 Manasquan Reservoir System in Monmouth County, New Jersey to cover Operational and Debt Service expenses for the Authority's fiscal year which commences on July 1, 2022.

The proposed rates will constitute no change in FY2023 to the existing regulations found at N.J.A.C. 7:11-4.1 et seq. as follows: no change in the sales base of 19.443 million gallons per day applied to all contract customers in the calculation of the Operations and Maintenance Component, the Source Water Protection Component, and the NJEIFP Debt Components of the rate; no change in the Operations and Maintenance Component from of \$445.82 per million gallons; no change in the NJEIFP Debt Component of \$24.93 per million gallons; no change in the Source Water Protection Fund Component of \$15.00 per million gallons; and no change in the Capital Fund Component of \$525.00 per million gallons for all initial water purchase contract customers. The Capital Fund Component sales base will be 15.008 million gallons per day for all initial water purchase contract customers. There will be no change in the Debt Service Component for all delayed water purchase contracts of \$438.92 per million gallons and no change in the Capital Fund Component of \$200.00 per million gallons. There is no change in the debt service sales base of 4.435 million gallons per day applied to all delayed water purchase contract customers. The Capital Fund Component sales base for all delayed water purchase contract customers will also be 4.435 million gallons per day.

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 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 11:00 a.m. on Thursday, January 6, 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. 7:11-4.16.

Notice is hereby given that the Authority will hold a Public Hearing by means of online platform and teleconference on Thursday, February 3, 2022 at 11:00 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)  
12/16/21

THE TIMES \$52.20

Ms. Susan Schreck , CFO  
Borough of Spring Lake  
Fifth & Warren Avenues  
Spring Lake, NJ 07762

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

Mayor Edward Bonanno  
Borough of Avon-By-The-Sea  
301 Main Street  
Avon, NJ 07717

Mayor Mark Walsifer  
Borough of Belmar  
P.O. Box A, 601 Main Street  
Belmar, NJ 07719

Mr. Robert Schaefer  
New Jersey American Water  
P. O. Box 102  
Bound Brook, NJ 08805

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

Mayor Ken Farrell  
Borough of Sea Girt  
PO Box 296, 4<sup>th</sup> Avenue  
Sea Girt, NJ 08750

New Jersey American Water  
Swimming River Treatment Plant  
310 Swimming River Road  
Colts Neck, NJ 07722

Louise A. Mekosh,  
Borough of Lake Como  
1740 Main Street  
Lake Como, NJ 07719

Dina Zahorsky, Clerk  
Borough of Spring Lake  
Fifth & Warren Avenues  
Spring Lake, NJ 07762

Mr. Oleg Kostin  
New Jersey American Water  
P. O. Box 102  
Bound Brook, NJ 08805

Edward Sampson, Director  
Monmouth County Planning Board  
One East Main Street  
Freehold, NJ 07728

Kerry McGuigan, Administrator  
Borough of Avon-By-The-Sea  
301 Main Street  
Avon, NJ 07717

April Claudio, Clerk  
Borough of Belmar  
P.O. Box A, 601 Main Street  
Belmar, NJ 07719

Scott Carew, Administrator  
Borough of Matawan  
201 Broad Street  
Matawan, NJ 07747

Mayor Collette J. Kennedy  
Borough of Keyport  
P.O. Box 60  
Keyport, NJ 07735

Lorraine Carafa, Clerk  
Borough of Sea Girt  
PO Bx 296, 4<sup>th</sup> Avenue  
Sea Girt, NJ 08750

Mayor Kevin Higgins  
Borough of Lake Como  
1740 Main Street  
Lake Como, NJ 07719

John Barrett, Borough Clerk  
Borough of Spring Lake Heights  
555 Brighton Avenue  
Spring Lake Heights, NJ 07762

Mayor Christopher Campion  
Borough of Spring Lake Heights  
555 Brighton Avenue  
Spring Lake Heights, NJ 07762

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

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

Thomas Nolan, Administrator  
Borough of Brielle  
P. O. Box 445, 601 Union Lane  
Brielle, NJ 08730

Mayor Thomas B. Nicol  
Borough of Brielle  
P. O. Box 445, 601 Union Lane  
Brielle, NJ 08730

Michele Clark, Clerk  
Borough of Keyport  
P.O. Box 60  
Keyport, NJ 07735

Mayor Pasquale Menna  
Borough of Red Bank  
90 Monmouth Street, Ste. 1  
Red Bank, NJ 07701

Ziad Shehady, Administrator  
Borough of Red Bank  
90 Monmouth Street, Ste. 1  
Red Bank, NJ 07701

Mayor Jennifer Naughton  
Borough of Spring Lake  
Fifth & Warren Avenues  
Spring Lake, NJ 07762

Mayor Timothy Farrell  
Township of Wall  
2700 Allaire Road  
Wall, NJ 07719

Jeffry Bertrand, Administrator  
Township of Wall  
2700 Allaire Road  
Wall, NJ 07719

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

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

Mayor Joseph Altomonte  
Borough of Matawan  
201 Broad Street  
Matawan, NJ 07747

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

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

G:Business Office/Procurement  
Dept/Raritan System/Water  
Contracts/Public Hearing  
(MRS Small Labels)

## **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: AdfykxVqkiAEWX0JS000YWlxq1Er2g==

## 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](mailto: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 ESMTTP Server) with ESMTTPS 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**

(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-notice.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

surcharge at the commencement of the contract, rather than paying it over the contract term. The FY 2023 rate for delayed water purchase contract customers (\$200.00 per MG, no change from FY 2022), found at N.J.A.C. 7:11-4.5(e), will be charged to all water purchasers who entered into a water purchase contract for uninterrupted service commencing subsequent to the System operation date.

The Authority established a Source Water Protection Fund Component (N.J.A.C. 7:11-4.5) of \$15.00 per MG starting July 1, 2003. The Source Water Protection Fund Component provides administrative cost assistance for watershed planning and land acquisitions within the Manasquan Basin critical to the long-term protection of water quality and quantity in the System. The rate was reduced from \$15.00 per MG to \$10.00 per MG for FY 2016. A rate of \$10.00 per MG and existing fund surplus were sufficient to cover program costs for FY 2016 and FY 2017. In FY 2018, the Authority increased the rate to \$15.00 per MG in order to cover program costs for FY 2018. To cover costs for FY 2023, the Authority proposes no change to the source water protection fund component rate of \$15.00 per MG, which can be found at N.J.A.C. 7:11-4.6(b).

The Authority proposes no change in the New Jersey Environmental Infrastructure Financing Program (NJEIFP) debt component of \$24.93 per MG, which is set forth at N.J.A.C. 7:11-4.7(b). The NJEIFP debt component was established to repay debt service to the New Jersey Environmental Infrastructure Trust for construction costs associated with the installation of a structure over the Manasquan Reservoir intake pump station. The debt service payment will remain stable in FY 2023, and the sales base will remain constant at 19.443 MGD for FY 2023.

For initial water purchase contract customers, the FY 2023 base contract O&M Rate (\$445.82), Source Water Protection Program Rate (\$15.00), NJEIFP Debt Rate (\$24.93), and Capital Fund Component (\$525.00) comprise the total base contract rate for raw water of \$1,010.75 per million gallons, and represents no change relative to FY 2022. This base contract rate is charged to all uninterrupted service contracts initially executed prior to July 1, 1990, the commencement date of Manasquan Reservoir System operations, and one delayed water purchase contract with Shorelands Water Company executed on July 1, 2006. In order for its customers to be assessed the base contract rate on the .028 mgd delayed contract, Shorelands Water Company prepaid the net present value of the difference between the initial water purchase contract's debt service schedule and the delayed water purchase contract's debt service schedule.

The total rate for delayed water purchase contract customers in FY 2023 is \$1,124.67 per million gallons, representing no change relative to the FY 2022 delayed water purchase rate. The O&M Component (\$445.82), the Source Water Protection Fund Component (\$15.00), the Debt Service Rate Component (\$438.92), the NJEIFP Debt Rate (\$24.93), and the Capital Fund Component (\$200.00) comprise the total rate.

#### Social Impact

The proposed amendments will have a positive social impact. The proposed amendments represent the Authority's efforts to ensure that rates for the untreated water purchased from the System are equitably assessed to all purchasers and are sufficient to provide the revenues required by the Authority.

The four billion gallon capacity Manasquan Reservoir provides a needed water supply to keep pace with the continuing population growth in Monmouth County, while reducing the dependence of water purveyors on the stressed ground water resources of the region.

#### Economic Impact

The proposed adjustment to the rate schedule will result in no change to the overall water rate for initial water purchase contract customers and no change to the overall water rate for delayed water purchase contract customers. Based upon the average household usage of 400 gallons per day, the annual average impact per household will be \$0.00 for initial water purchase contract customers and \$0.00 for delayed water purchase contract customers. 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 upkeep and operation of the System, which is provided by the proposed amendments, will result in a positive environmental impact. Sixty percent of the water supply in Monmouth County was previously derived from stressed ground water resources. The System relieves the use of a portion of the existing ground water supply and meets the needs of a developing area. This water supply system has a very important and positive environmental impact since its operation reduces the stress on the valuable ground water resources of the region by providing an alternate surface water supply. By reducing the pumping of ground water, saltwater intrusion will be limited, and present ground water levels will not be further reduced.

The 30 million gallon per day water supply that the System can provide helps to protect the region's threatened ground water resources from further depletion. In addition, the 770-acre Manasquan Reservoir provides for the protection of waterfowl and wildlife in the region through several protected wetland sites for the rearing of waterfowl and wildlife.

The continued financing of the Source Water Protection Fund will have a positive environmental impact by providing greater protection to water quality and quantity in the Manasquan Basin through real estate acquisitions, coordinated government land management practices, and remedial projects.

#### 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 statute applies 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 rules 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 amendments are not proposed 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 proposed amendments are an annual revision to the Authority's rules covering rates for its water customers in the System. 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 the 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 Authority for the purchase of water as a condition of the water allocation permit. The proposed amendments do not change the overall water rate for both initial water purchase contract customers and delayed water purchase contract customers. 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 only affect the rates charged to users for water purchased from the Authority. The

municipalities and major water purveyors 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 an insignificant impact because it is unlikely 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 an insignificant impact because it is unlikely 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 Plan. 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.

**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 4. SCHEDULE OF RATES, CHARGES, AND DEBT SERVICE ASSESSMENTS FOR THE SALE OF WATER FROM THE MANASQUAN RESERVOIR WATER SUPPLY SYSTEM**

7:11-4.3 Operations and maintenance expense component

(a)-(b) (No change.)  
 (c) Operations and maintenance expense component:

Effective Date	Rate/Million Gallons (based upon a 19.443 mg per day sales base)
July 1, [2021] 2022	\$445.82

7:11-4.4 Debt service cost component

(a) (No change.)  
 (b) A delayed water purchase surcharge will be assessed to all water purchasers who entered into a water purchase contract for an uninterruptible service commencing subsequent to the system operation date (delayed water purchase contract). This includes a purchaser under an initial water purchase contract, which provides for an increase in the amount of uninterruptible service effective subsequent to the system operation date.  
 1. The following debt service rate based on a sales base of 4.435 million gallons per day, applies to the delayed water purchase contracts commencing July 1, 2001, October 1, 2002, and January 1, 2005.

Period	Rate/Million Gallons (Coverage 120 percent)
[7/1/2021] 7/1/2022 to [6/30/2022] 6/30/2023	\$438.92

(c) (No change.)

7:11-4.5 Capital Fund Component

- (a)-(b) (No change.)
- (c) Capital Fund Assessment—initial water purchase contract customers:

Period	Rate/Million Gallons
[7/1/2021] 7/1/2022 to [6/30/2022] 6/30/2023	\$525.00

- (d) (No change.)
- (e) Capital Fund Assessment—delayed water purchase contract customers:

Period	Rate/Million Gallons
[7/1/2021] 7/1/2022 to [6/30/2022] 6/30/2023	\$200.00

7:11-4.6 Source water protection fund component

- (a) (No change.)
- (b) The source water protection fund component is as follows:

Period	Rate/Million Gallons
[7/1/2021] 7/1/2022 to [6/30/2022] 6/30/2023	\$15.00

7:11-4.7 New Jersey Environmental Infrastructure Financing Program debt component

- (a) (No change.)
- (b) The New Jersey Environmental Infrastructure Financing Program debt component is as follows:

Period	Rate/Million Gallons
[7/1/2021] 7/1/2022 to [6/30/2022] 6/30/2023	\$24.93

**(a)**

**AIR QUALITY, ENERGY, AND SUSTAINABILITY  
 DIVISION OF AIR QUALITY  
 Mobile Cargo Handling Equipment at Ports and Intermodal Rail Yards**

**Proposed New Rules: N.J.A.C. 7:27-34  
 Proposed Amendment: N.J.A.C. 7:27A-3.10**

Authorized By: Shawn M. LaTourette, Commissioner, Department of Environmental Protection.

Authority: N.J.S.A. 13:1B-3(e), 13:1D-9, and 26:2C-1 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

DEP Docket Number: 08-21-11.

Proposal Number: PRN 2021-121.

A public hearing concerning this notice of proposal and the proposed State Implementation Plan (SIP) revision will be held on Wednesday, February 9, 2022, at 9:30 A.M. The hearing will be conducted virtually through the Department of Environmental Protection's (Department) video conferencing software, Microsoft Teams. A link to the virtual public hearing and telephone call-in option will be provided on the Department's website at <https://www.nj.gov/dep/rules/notices.html>.

Submit comments by close of business on March 4, 2022, electronically at [www.nj.gov/dep/rules/comments](http://www.nj.gov/dep/rules/comments). Each comment should be identified by the applicable N.J.A.C. citation, with the commenter's name and affiliation following the comment.

The Department encourages electronic submittal of comments. In the alternative, comments may be submitted on paper to:

**Minutes of Pre-Public Hearing Meeting**

**Exhibit E**

**MINUTES**

Pre-Public Hearing Meeting - January 6, 2022

Schedule of Rates, Charges and Debt Service Assessments  
for the Sale of Water from the  
Manasquan Reservoir Water Supply System  
to become effective July 1, 2022

The Pre-Public Hearing Meeting was called to order by Susan Buckley-Director Finance and Administration, at 11:00 a.m. via Webex.

Authority staff members present were Susan Buckley-Director Finance and Administration, Marc Brooks-Executive Director, 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 11:15 a.m.

**AGENDA**

**Pre-Public Hearing Meeting**

**January 6, 2022**

**Schedule of Rates, Charges and Debt Service Assessments  
for the Sale of Water from the  
Manasquan Reservoir Water Supply System**

**To become effective July 1, 2022 (FY23)**

**11:00 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**  
**Manasquan Reservoir System**  
**Pre-Public Meeting**

Proposed Adjustments to the Schedule of Rates, Charges and  
Debt Service Assessments to Become Effective July 1, 2022

**January 6, 2022**  
**11:00 a.m.**

<u>Name</u>	<u>Affiliation</u>
Susan Buckley	NJWSA
Marc Brooks	NJWSA
Darin Shaffer	NJWSA

Transcript of Public Hearing

**Exhibit F**

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MANASQUAN RESERVOIR WATER SUPPLY SYSTEM  
PUBLIC HEARING - FEBRUARY 3, 2022  
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DATED: FEBRUARY 3, 2022

TIME: 11:00 A.M.

TAKEN VIA WEBEX

BEFORE HEARING OFFICER, JEFFREY HOFFMAN



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A P P E A R A N C E S:

Staff:

Marc Brooks, Executive Director.

Ms. Susan Buckley, Director, Finance and Administration.

Mr. Paul McKeon, Director, Manasquan Water Supply and Canal  
Operations.

Mr. Darin Shaffer, Chief Engineer.

1                   MR. HOFFMAN: On behalf of the New  
2 Jersey Water Supply Authority, I would like to  
3 welcome you here this morning. My name is  
4 Jeffrey Hoffman. As designated by the  
5 Commissioner of the New Jersey Department of  
6 Environmental Protection and Chair of the New  
7 Jersey Water Supply Authority, I serve as  
8 Acting Chair of the Authority. I will be  
9 serving as Hearing Officer for this public  
10 hearing for the Authority's proposed  
11 adjustments to its Schedule of Rates, Charges  
12 and Debt Service Assessments for the supply of  
13 water from the Manasquan Water Supply System,  
14 which will take effect on July 1, 2022.

15                   Several members of the Authority's staff  
16 are present today and I would like to introduce  
17 them. Mr. Marc Brooks is the Executive  
18 Director. Ms. Susan Buckley is the Director,  
19 Finance and Administration. Mr. Paul McKeon is  
20 the Director, Manasquan Water Supply and Canal  
21 Operations. Mr. Darin Shaffer is the Chief  
22 Engineer. It is requested that everyone  
23 present state your name and affiliation. If you  
24 would like to make a statement today, there  
25 will be a designated comment period later in

1 the meeting. The Authority has adopted  
2 extensive rate adjustment procedures found in  
3 the New Jersey Administrative Code at N.J.A.C.  
4 7:11-4.16 and 4.17, which provide for close  
5 contact with our water customers, the State  
6 Division of the Ratepayer Advocate and other  
7 interested parties for the proposal of any rate  
8 adjustment. These procedures demonstrate the  
9 Authority's commitment to maintaining an active  
10 dialogue with the public, welcoming the input  
11 of interested parties and providing a forum for  
12 that input. Official notice of the proposed  
13 rate adjustments for Fiscal Year 2022 was  
14 mailed to the water users and all interested  
15 parties on December 16, 2021 and published in  
16 the New Jersey Register on January 3, 2022. On  
17 January 6, 2022 the required pre-public hearing  
18 meeting with our contractual water customers  
19 and interested parties was conducted. There  
20 were no attendees at the pre-public hearing.  
21 Ms. Buckley, do we have minutes from the  
22 pre-public hearing meeting of January 6, 2022?

23 MS. BUCKLEY: Yes, Mr. Chairman, and I  
24 would like to enter the January 6, 2022  
25 pre-public hearing minutes into the record as

1 Exhibit P-1.

2 MR. HOFFMAN: Please mark the  
3 Pre-Public Hearing meeting minutes as Exhibit  
4 P-1.

5 (Whereupon the meeting minutes  
6 were marked as Exhibit P-1)

7 MR. HOFFMAN: At this time, I will ask  
8 Ms. Buckley if we have a certification of the  
9 publication and the mailing of notification of  
10 this public hearing to present for the record.

11 MS. BUCKLEY: Yes, Mr. Chairman, we  
12 have certification that Notice of this public  
13 hearing was mailed to the Secretary of State,  
14 the Division of the Ratepayer Advocate, the  
15 news media maintaining a press office at the  
16 State House Complex, the Board of Public  
17 Utilities, the Authority's Contractual Water  
18 Purchasers and other interested parties on  
19 December 16, 2021 and advertised in the Asbury  
20 Park Press, Star Ledger and The Times (Trenton)  
21 on December 16, 2021. I would like to enter  
22 this Certification into the record as Exhibit  
23 P-2.)

24 MR. HOFFMAN: Please mark this  
25 Certification as Exhibit P-2.

1 (Whereupon Notice of Publication was  
2 marked as P-2.)

3 MR. HOFFMAN: Thank you, Ms. Buckley.  
4 Ms. Buckley, will you now present the  
5 Authority's opening statement?

6 MS. BUCKLEY: Good Morning. The  
7 Authority is proposing to amend its Schedule of  
8 Rates, Charges and Debt Service Assessments for  
9 the Sale of Water from the Manasquan Reservoir  
10 System (System), to cover expenses for Fiscal  
11 Year (FY) 2023. The Authority operates on a  
12 July 1 to June 30 fiscal year. The proposed  
13 amendments update references to the fiscal year  
14 from FY 2022 to FY 2023. The overall proposed  
15 rate of \$1,010.75 per MG for Initial Water  
16 Purchase Contracts (IWP) represents no change  
17 versus the current rate of \$1,010.75 per MG.  
18 The overall proposed rate of \$1,124.67 per MG  
19 for Delayed Water Purchase Contracts (DWP)  
20 represents no change versus the current rate.  
21 The Authority anticipates the rates will be  
22 adopted effective July 1, 2022. The General  
23 Rate Schedule for Operations and Maintenance  
24 was last adjusted effective July 1, 2021 to  
25 cover the operating expenses of the System for

1 Fiscal Year 2022. For the current fiscal year,  
2 there no change in the Operations and  
3 Maintenance rate of \$432.87 per MG and there is  
4 no change projected in the sales base.

5 Projected expense increases (primarily in  
6 salary, fringe, insurance expense, and other  
7 O&M expense) and a reduction in interest income  
8 are being offset by overdraft revenues and  
9 budget surplus from prior periods as well as  
10 excess debt service raised as a requirement of  
11 the Authority's bond resolutions.

12 The Debt Service component of the rate for  
13 the Delayed Water Purchase Contracts will be  
14 \$438.92 per million gallons, no change from  
15 FY2022. Debt service related to Delayed Water  
16 Purchase Customers is essentially flat vs.  
17 FY22, and the debt service component reflects  
18 120 percent debt service coverage.

19 A capital fund rate component was  
20 established in FY2022 in the Manasquan System  
21 for Initial Water Purchase Contracts  
22 (\$525.00/mg) and Delayed Water Purchase  
23 Contracts (\$200.00/mg) to provide for long-term  
24 capital needs that will allow for the proper  
25 maintenance, rehabilitation and/or replacement

1 of the system facilities. As critical  
2 structures, including dams, continue to age in  
3 the 30 year old Manasquan System, the Authority  
4 believes it prudent to establish this rate  
5 component.

6 The Authority is proposing no change to  
7 the NJEIFP Debt Service and Source Water  
8 Protection components of the rate.

9 The New Jersey Water Supply Authority is  
10 operating, maintaining and managing three  
11 distinct systems, each with its own budget,  
12 cost accountability and revenue stream. The  
13 Raritan Basin System and the Manasquan  
14 Reservoir Water Supply System are both  
15 untreated water supply systems. A Water  
16 Treatment Plant and Transmission System for the  
17 Southeast Monmouth Municipal Utilities  
18 Authority was constructed on Authority-owned  
19 property.

20 The Authority's headquarters staff located  
21 in Clinton provides general and administrative  
22 support service for all three systems. In  
23 order to equitably assess each system, an  
24 outside auditing firm developed a methodology  
25 for the allocation of the headquarters general

1 and administrative costs to each operating  
2 system. After the close of each fiscal year,  
3 the Authority's current Auditors provide their  
4 findings as to the need to adjust any of the  
5 allocation factors and the actual audited  
6 expenditures for the fiscal year.

7 Independent auditors are reviewing the  
8 Authority's Fiscal Fiscal Year 2021 allocation  
9 calculation that results in an adjustment to be  
10 netted against the Fiscal Year 2023 budgeted  
11 allocation. A copy of the Auditor's report on  
12 the allocation of the headquarters' general and  
13 administrative costs will be included in the  
14 rate proposal package for each system as  
15 available.

16 Insurance costs are also allocated to each  
17 system based upon the recommendations of the  
18 Authority's risk management consultant. Each  
19 rate proposal package includes a summary table  
20 showing the proposed insurance budget amounts  
21 and the portions allocated to each of the three  
22 systems.

23 The total charge for the water supply  
24 consists of a component to cover the costs of  
25 operating and maintaining the System, a Debt

1 Service Component, Capital Fund Component, a  
2 NJEIFP Debt Component and a Source Water  
3 Protection Component.

4 After all appropriate allocations from the  
5 Raritan Basin System and to the Water Treatment  
6 Plant and Transmission System, the projected  
7 operating costs for Fiscal Year 2023 indicate  
8 that an Operations and Maintenance rate  
9 component of \$445.82 per million gallons will  
10 be required starting July 1, 2022. This  
11 represents no increase over the prior fiscal  
12 year. The Operations and Maintenance component  
13 sales base remains at 19.443 million gallons  
14 per day.

15 The Debt Service Component of the total  
16 rate is calculated each year to cover the  
17 payments due on the outstanding debt for the  
18 System. The Debt Service Assessment was  
19 established effective July 1, 1990 to cover  
20 debt service payments on the initial loan of  
21 \$63,600,000 at an interest rate of 7.15 percent  
22 (subsequently reduced to 5.93 percent in Fiscal  
23 Year 1997 for payments due August 1998 and  
24 after), and the payment for the interim  
25 completion loan of \$7,416,000 at an interest

1 rate of 7.16 percent (which was also later  
2 reduced to 6.24 percent in Fiscal Year 1992).

3 In August of 2005, the Authority refunded  
4 the current portion of the State Loan Notes and  
5 the Completion Notes at an average coupon of  
6 4.83 percent and a net present value savings of  
7 \$6.187 million. The term of the bonds was 25  
8 years. The bond proceeds also fully funded the  
9 Debt Service Reserve Account and debt service  
10 coverage must remain at 120 percent through the  
11 life of the bonds.

12 In July of 2006, the Authority issued  
13 \$90,147.57 and \$9,505.40 current State Loan  
14 Notes and Completion Loan Notes respectively  
15 for a delayed water purchase contract for .028  
16 million gallons per day. The debt service for  
17 the notes associated with this water purchase  
18 contract was paid through the Debt Service  
19 Component of the initial rate and funds held in  
20 escrow by the Authority, contributed by the  
21 water purchase customer for this purpose.

22 In May of 2016, the Authority issued  
23 \$17,460,000 of Manasquan Reservoir Water Supply  
24 System Revenue Refunding Bonds which refunded  
25 the 2005 Manasquan Reservoir Water Supply

1 System Revenue Bonds as well as the current  
2 State Loan Notes and Completion Notes. The 2016  
3 bonds have an average coupon of 3.78 percent  
4 and a net present value savings of \$3.0  
5 million. The term of the bonds is 15 years.

6 On July 1, 2022 the Debt Service Component  
7 for Delayed Water Purchase Contracts will be  
8 \$445.82 per million gallons, no change from the  
9 prior fiscal year. The debt for the Initial  
10 Water Purchase Contracts has been paid in full.  
11 There is no change in the sales base for either  
12 Initial or Delayed customers.

13 The Authority established a Source Water  
14 Protection Fund Component in Fiscal Year 2004  
15 dedicating \$15.00 per million gallons to  
16 protect the quality and quantity of waters in  
17 the Manasquan Reservoir Water Supply System.  
18 The Authority reduced the Source Water  
19 Protection Component from \$15.00 per million  
20 gallons to \$10.00 per million gallons in Fiscal  
21 Year 2016, and the rate increased to \$15.00 per  
22 million gallons in Fiscal Year 2018. The  
23 Authority proposes that the rate remain the  
24 same at \$15.00 per million gallons in Fiscal  
25 Year 2023 to adequately fund source water

1 protection efforts.

2 The Authority established the NJEIFP Debt  
3 Component in FY2012 to pay debt service on  
4 bonds issued in May of 2012 at 75 percent zero  
5 interest and 25 percent market interest by the  
6 New Jersey Environmental Infrastructure  
7 Financing Program to build a structure over the  
8 Intake Pumps and Traveling Water Screens. The  
9 Authority proposes that this rate component  
10 remain the same at \$24.93 per million gallons  
11 in Fiscal Year 2023.

12 The total proposed rate on July 1, 2022,  
13 for contracts effective as of July 1, 1990,  
14 will be \$1,010.75 per million gallons, no  
15 change versus the prior fiscal year. The total  
16 proposed rate on July 1, 2022 for Delayed Water  
17 Purchase Contracts will be \$1,124.67 per  
18 million gallons, no change versus the prior  
19 fiscal year.

20 The Authority's procedure for rate  
21 adjustments is found in the New Jersey  
22 Administrative Code at N.J.A.C. 7:11-4.13  
23 thereafter ("The Regulations"). These rate  
24 adjustment procedures require the Authority to  
25 give official notice and an explanation

1 outlining the need for proposed rate  
2 adjustments to various entities at least six  
3 (6) months prior to the proposed effective  
4 date.

5 The Authority's Commissioners formally  
6 proposed the publication of the rate adjustment  
7 for Fiscal Year 2023 at their regular monthly  
8 business meeting on November 1, 2021. The  
9 Basis and Background Statement was posted on  
10 the Authority's Website on October 26, 2021.  
11 Mr. Hoffman, I request that this Basis and  
12 Background Document be entered into the record  
13 as Exhibit S-1.

14 The Authority's rate adjustment procedures  
15 provide that the contractual water customers  
16 and interested parties be provided the  
17 opportunity to meet with Authority staff at a  
18 pre-public hearing meeting in order to be  
19 presented with an explanation of the formal  
20 proposal. This pre-public hearing meeting must  
21 be scheduled within forty-five (45) days after  
22 the official notice of a proposed rate  
23 adjustment is sent. A "Notice of Public  
24 Hearing" was mailed on December 16, 2021 to  
25 contractual water customers and other

1 interested parties informing them of the  
2 pre-public and public hearings scheduled for  
3 January 6 and February 3, 2022 respectively via  
4 Webex.

5 Additionally, on December 16, 2021 notice  
6 of the Pre-Public Hearing and this Public  
7 Hearing was published in the Asbury Park Press,  
8 The Times (Trenton) and the Star Ledger.  
9 Notice of the proposed rate adjustment and the  
10 public hearing schedule also appeared in the  
11 January 3, 2022 issue of the New Jersey  
12 Register. The Pre-Public hearing was conducted  
13 on January 6, 2022, and there were no  
14 attendees.

15 The Authority's regulations state that  
16 interested parties may submit written questions  
17 for inclusion in the hearing record, and if  
18 submitted no later than 15 days prior to the  
19 public hearing, Authority staff, at today's  
20 meeting, must provide answers to the questions.  
21 The Authority will also provide a complete  
22 response to any questions received subsequent  
23 to the 15-day deadline and up to and including  
24 March 15, 2022, the closing date for the  
25 hearing record. In addition, any party may

1 direct questions and follow-up to Authority  
2 staff at the public hearing. In the event a  
3 response cannot be immediately given today, a  
4 written response shall be prepared within ten  
5 (10) business days of this public hearing and a  
6 copy of that written response shall be provided  
7 to all contractual water customers, the  
8 Division of the Ratepayer Advocate, the Board  
9 of Public Utilities and attendees at the  
10 meeting requesting the same and the response  
11 shall be made a part of the hearing record.  
12 Comments received before the close of the New  
13 Jersey Register comment period on March 4, 2022  
14 will also be entered into the record.

15 Finally, within ten (10) working days  
16 after receipt of the answer, contractual water  
17 customers, the Division of the Ratepayer  
18 Advocate, the Board of Public Utilities and  
19 attendees will be permitted to respond in  
20 writing to the answers of the staff for the  
21 record.

22 After the hearing record is closed and the  
23 New Jersey Register comment period expires, a  
24 Hearing Officer's report, which shall include  
25 findings of fact and specific responses to all

1 issues and questions raised during the public  
2 hearing proceedings, will be prepared and  
3 submitted to the entire Authority prior to the  
4 Authority taking final action on the proposal.  
5 Mr. Hoffman, that concludes the Authority's  
6 opening statement.

7 MR. HOFFMAN: Please mark the Basis  
8 and Background Document dated 11/1/21 as  
9 Exhibit S-1.)

10 (Whereupon the Basis and  
11 Background Document dated  
12 11/1/21 as Exhibit S-1.)

13 Ms. Buckley, have we received any written  
14 or verbal communications for inclusion in the  
15 public hearing record?

16 MS. BUCKLEY: No, Mr. Chairman, we  
17 have not.

18 MR. HOFFMAN: Ms. Buckley, are there  
19 any additional proposed Rule changes not  
20 associated with the changes to existing Rates?

21 MS. BUCKLEY: No, Mr. Chairman, there  
22 are not.

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1 MR. HOFFMAN: Next on the agenda is  
2 Authority staff answers to questions raised  
3 prior to today's hearing. Ms. Buckley, has the  
4 Authority received any questions prior to  
5 today's hearing?

6 MS. BUCKLEY: No Mr. Chairman, we have  
7 not.

8 MR. HOFFMAN: Thank you Ms. Buckley.  
9 We are now prepared to enter oral statements,  
10 written statements and/or any other supporting  
11 evidence by all interested parties into the  
12 record. At this time I would like to invite  
13 anyone who would like to make a statement to  
14 state your name and affiliation. Let the  
15 record reflect that I have not received any  
16 statements from any member of the public.

17 We will now entertain questions and, if  
18 possible today, hear the responses by Authority  
19 staff. Does any member of the public have  
20 questions for staff?

21 (No responses noted.)

22 After the New Jersey Register comment  
23 period closes on March 4, 2022 and the hearing  
24 record is closed on March 15, 2022, I, as the  
25 Hearing Officer will prepare a report of my

1 findings, based solely on the record of the  
2 proceedings, which shall include findings of  
3 fact and specific responses to all issues and  
4 questions raised during these proceedings. My  
5 Hearing Officer's report will be submitted to  
6 the Authority and presented to the Authority's  
7 Board for final action on the proposal.

8 Written comments may be submitted until the end  
9 of public comment period on March 15, 2022.

10 I anticipate that the Authority will take  
11 final action on these proposed Rates at its  
12 regular monthly business meeting on May 2,  
13 2022. The Authority appreciates your  
14 attendance here today. This Public Hearing is  
15 adjourned.

16 (Whereupon the proceedings were  
17 concluded.)

18 (Continued on next page for  
19 certification.)  
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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

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# Correspondence and Testimony

## Exhibit G

**NO CORRESPONDENCE RECEIVED**

**Staff Memorandum to Hearing Officer**

**Exhibit H**



# NEW JERSEY WATER SUPPLY AUTHORITY

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

March 16, 2022

## MEMORANDUM

TO: Mr. Jeffrey Hoffman  
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 Manasquan Reservoir System (N.J.A.C. 7:11-4.1, et seq.)

Please be advised that no additional comments or inquiries on the Manasquan Reservoir System FY2023 rate proposal were received by the Authority subsequent to the public hearing of February 3, 2022 so that the public comments noted for the record at the hearing (none) represent a complete picture of public input.

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, NJEIFP Debt Component, Source Water Protection Component and Capital Fund Component) of \$1,010.75 per million gallons will apply to all Initial water purchase customers in FY2023 (starting July 1, 2022) and results in no change versus FY2022.

The total rate (O&M plus Debt Service, NJEIFP Debt Component, Capital Fund Component and Source Water Protection Component) of \$1,124.67 per million gallons will apply to all Delayed water purchase customers in FY2023 (starting July 1, 2022) and results in no change versus FY2022.

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM  
FISCAL YEAR 2023 (7/1/22-6/30/23)

**REVISIONS TO ORIGINAL RATE PACKAGE**

1.	No Changes	

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 Manasquan Reservoir System, to become effective July 1, 2022 (regulations found at N.J.A.C. 7:11-4.1 et seq.)

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 fiscal year beginning on July 1, 2022; and

WHEREAS, by Resolution No. 2512 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 Manasquan Reservoir System, to become effective July 1, 2022 (regulations found at N.J.A.C. 7:11-4.1 et seq.); and

WHEREAS, the proposal was mailed to all contractual water purchasers in December 2021, and published in the Asbury Park Press, the Star Ledger and the Times (Trenton) on December 16, 2021, and also 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 6, 2022; and

WHEREAS, the Authority conducted a public hearing on the proposed amendments on February 3, 2022 with the 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 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 Manasquan Reservoir System;" and

BE IT FURTHER RESOLVED, that the Authority adopts the following amendments to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System, found at N.J.A.C. 7:11-4.1 et seq. to become effective on July 1, 2022:

1. Amend N.J.A.C. 7:11-4.3(c) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain a sales base of 19.443 million gallons per day and to maintain the Operations and Maintenance Expense component of \$445.82 for the period of July 1, 2022 to June 30, 2023; and

2. Amend N.J.A.C. 7:11-4.4(b) (Debt Service Component for delayed water purchase contracts) to maintain a sales base of 4.435 million gallons per day and to maintain the rate of \$438.92 per million gallons for Delayed water purchase contracts for the period of July 1, 2022 to June 30, 2023.

3. Amend N.J.A.C. 7:11-4.6(b) (Source Water Protection Fund Component) to reflect the period of July 1, 2022 to June 30, 2023 and maintain the rate of \$15.00 per million gallons.

4. Amend N.J.A.C. 7:11-4.7(b) (NJEIFP Debt Component) to reflect the period of July 1, 2022 to June 30, 2023 and maintain the rate of \$24.93 per million gallons.

5. Amend 7:11-4.5(c) (Capital Fund Assessment for Initial water purchase contract customers) to reflect the period of July 1, 2022 to June 30, 2023 and maintain the rate of \$525.00 per million gallons. Amend 7:11-4.5(e) (Capital Fund Assessment for Delayed water purchase contract customers) to reflect the period of July 1, 2022 to June 30, 2023 and maintain the rate of \$200.00 per million gallons.

BE IT FURTHER RESOLVED that the following actions are authorized:

1. Transfer \$35,880 in Overdraft Revenue from the Operating Fund into the General Fund (Rate Stabilization). Appropriate \$548,250 of prior year-end fund balances from the Operating Fund into the Rate Stabilization Fund.

2. Apply \$584,130 appropriated into the General Fund (Rate Stabilization) 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 Manasquan Reservoir 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 \$7,965,988 including required debt service coverage.

NOW THEREFORE, be it resolved that the Authority approves a budget of \$7,965,988 for the Fiscal Year beginning July 1, 2022 through June 30, 2023.