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PUBLIC HEARING

before

SENATE ENVIRONMENTAL QUALITY COMMITTEE

"The contamination of groundwater in and surrounding
Atlantic County, with particular emphasis on possible
legislative remedies that address groundwater
contamination issues"

November 15, 1990
Auditorium
Atlantic County Office Building
Atlantic City, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Richard Van Wagner, Chairman
Senator William L. Gormley

ALSO PRESENT:

Patricia Cane
Mark T. Connelly
Office of Legislative Services
Aides, Senate Environmental Quality Committee

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Hearing Recorded and Transcribed by
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January 12, 1955

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475 North Dearborn Street
Chicago, Illinois

MEMORANDUM FOR THE RECORD

Re: Report of the American Civil Liberties Union
on the activities of the American Civil Liberties Union

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475 North Dearborn Street
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January 12, 1955

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RICHARD VAN WAGNER
CHAIRMAN

PAUL CONTILLO
VICE-CHAIRMAN

DANIEL J. DALTON
WILLIAM L. GORMLEY
LEE B. LASKIN

New Jersey State Legislature
SENATE ENVIRONMENTAL QUALITY COMMITTEE
STATE HOUSE ANNEX, CN-068
TRENTON, NEW JERSEY 08625-0068
(609) 292-7676

NOTICE OF A PUBLIC HEARING

The Senate Environmental Quality Committee will hold a public hearing on:

*The contamination of ground water in and surrounding
Atlantic county, with particular emphasis on possible
legislative remedies that address ground water
contamination issues.*

The hearing will be held on *Thursday, November 15, 1990 from 10:00 a.m. to 1:00 p.m. in the Auditorium of the Atlantic County Office Building, 1333 Atlantic Avenue, Atlantic City, New Jersey.*

The public may address comments and questions to Patricia Cane or Mark T. Connelly, Committee Aides, and persons wishing to testify should contact Carol Hendryx, secretary, at (609) 292-7676.

DIRECTIONS: Garden State Parkway South to Exit No. 40 onto Route 30 East. Turn right onto Tennessee Avenue. The Atlantic County Office Building, which is attached to the public library, will be on the left, at the corner of Atlantic Avenue and Tennessee Avenue. Parking may be found in a lot on the right across from the office building. The auditorium is on the first floor off of the atrium. Please call Holly at (609) 345-0013 for additional directions if needed.

Issued 11/2/90

TABLE OF CONTENTS

	<u>Page</u>
Assemblyman Fred Scerni District 2	4
Tracye McArdle Health Officer Atlantic County, New Jersey	9
Richard E. Squires County Executive Atlantic County, New Jersey	15
Peter J. Miller Administrator Egg Harbor Township, New Jersey	30
Margaret Worthington Councilwoman Galloway Township, New Jersey	30
Sandra Bierbrauer, Ph.D. Former Chairperson Environmental Commission Egg Harbor Township, New Jersey, and Professor Richard Stockton State College	59

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SENATOR RICHARD VAN WAGNER (Chairman): Good morning. I'm Senator Richard Van Wagner, from Monmouth County. I'm Chairman of the Senate Environmental Quality Committee. Today's public hearing was really initiated by Senator Bill Gormley, who is on my right, a member of our Committee.

You're going to be addressing your concerns regarding groundwater contamination today. Our major purpose today is to listen to you, those of you that have come today to testify on this problem, which really is a problem that we find all over the State of New Jersey. I understand from Senator Gormley that's it's of particular concern in some of the communities here in Atlantic County.

So, without further ado, I'm going to turn this hearing over to Senator Gormley, who is our host Senator today, for his remarks. And from that point on, we have a list of people who wish to testify today. If you have not signed up to testify, I will ask you to please submit your name. There are pads on the front table here.

Just some housekeeping information for you: The mike I'm speaking into is the mike which we can hear you from. The mikes, such as this, that are in front of those tables, are really more important than this mike, because that's where we will record your remarks -- where we will compile the remarks for our public hearing transcript.

So I will ask you to try to -- as much as possible -- speak so we can get your remarks on that recording, so that we can have it as a public record for when we review legislation or potential legislation relating to this problem. I will now turn the meeting over to Senator Bill Gormley, of Atlantic County.

SENATOR GORMLEY: Thank you. Which mike is the important mike? I want to have the important mike.

SENATOR VAN WAGNER: The important mike is right in front of you.

SENATOR GORMLEY: First of all, I would like to thank Senator Van Wagner. It is unique, and I, quite frankly, can't think of an instance where a minority party member has asked for a public hear and the majority party has done it. It just shows the unique caliber of Rich Van Wagner. I'd also like to thank Senator Dalton, who could not be here today because of prior commitments, but who has dealt with a very similar issue in radium contamination. He is very supportive of our finding a solution to this problem.

As we all know, the issue of water contamination has been one that has distressed the citizens of Atlantic County as far back as Price's Pit. We have, over the years, been able to get funds on certain projects such as Pomona Oaks, and whatever. We've run into a real predicament at this time, especially in the area of mercury contamination.

What we have is a situation, especially in our townships -- and now we have a report in Absecon -- where the question arises as to where there is a source of money on an interim basis, until a determination can be made as to whether or not someone qualifies under the Spill Fund for financial assistance in order to run a waterline. And what has happened is, we've attended public meetings -- and I don't want to point the finger at any agency, or whatever -- but the public walks away from public hearings distressed because they hear a lot of facts, and it becomes somewhat confusing.

People in various agencies appear to be giving conflicting reports on where people can get money. And the bottom line, quite frankly, is, should residents have to wait a very long period of time before there is some form of aid? And also, while they are waiting, is it necessary that they be put through a bureaucratic maze that won't come out with a result?

What I find most distressing, and why I put in the legislation that I have, and why we're focusing on this issue, is the presumption that's placed on the part of the resident.

The resident must prove, in the case of mercury, for example, beyond all doubt, that it was man-made. And if they don't prove it, there's no money. But then they have to wait 18 months just to prove it. It's an impossible criteria at the end of the process to prove.

I'm not trying to pick on the Spill Fund. I'm not trying to pick on any one agency. The bottom line is, whether it be Spill Fund that we conclude, or whether it be a revolving loan fund from an existing bond issue, as Senator Dalton did with radium-- I am not looking to say who's wrong. I'm just looking for the result so that these residents can have that interim assistance.

Again, I certainly appreciate Senator Van Wagner doing this, because I think this hearing is important. It will weed through the complexity that the citizens have had to go through when they ask the question, "Can we get assistance?"

I cite a meeting that we had in Egg Harbor Township one night. It went until about 12:15 in the morning, and by the end of the evening everyone was confused. Everyone was totally confused as to will there be money, or won't there be money. And there were conflicting versions of what the Spill Fund was about. So this hearing, hopefully, will start the process of setting the record straight as to what are the interpretations. But even more importantly than that, is that we look to a common solution, in which-- That's why I like the tenure of this hearing very much, because it's not a partisan issue.

We all want to find the solution to this problem, and if we all work together, hopefully we can do it. So, Rich, I want to thank you very much. The people in Atlantic County thank you for focusing on this issue for us. Let's start with the witnesses.

SENATOR VAN WAGNER: Thank you, Senator. The first witness today is Assemblyman Fred Scerni, from District 2 of Atlantic County. Mr. Scerni?

A S S E M B L Y M A N F R E D S C E R N I: Good morning, Mr. Chairman, and Senator Gormley. Mr. Chairman, I would thank you for providing the citizens of Atlantic County this opportunity to share with the Committee our concerns about mercury contamination in our drinking water.

As the Committee is aware, mercury, in concentrations exceeding the standard of two parts per billion, established by the Department of Environmental Protection pursuant to the Safe Drinking Water Act, has been identified in over 100 wells in Atlantic County. Egg Harbor Township and Galloway Township have been especially affected.

The presence of mercury in our drinking water poses a substantial and imminent health risk to the people of Atlantic County. Acute mercury poisoning has been known to severely damage the central nervous system and may cause deformities.

So, when our local government officials sought financial help from the Department of Environmental Protection to provide alternative water supplies, I was surprised by the Department's apparent indifference. The local government officials proved to be no match for the complex, bureaucratic quagmire known as the Spill Compensation and Control Act.

DEP officials administering the Spill Fund assert that, according to the statute, the Fund is not liable for any damages that are the result of naturally occurring substances, including the mercury at issue here. DEP officials have not determined whether the mercury contamination identified in several Atlantic County communities is naturally occurring in the soil or is the product of a discharge. As a result, our pleas for help have thus far been unanswered by DEP.

We are not here to quibble with experienced hydrogeologists over whether the mercury is derived from pesticides sprayed years ago, or whether it came from outer space, or some other source. Regardless of how the issue is resolved, homeowners in affected areas of Atlantic County still need our help.

Senator Gormley has astutely identified some of the major difficulties in the operation of the Spill Fund. These problems are attributable both to the ambiguities in the statute, as well as the bureaucracy that seems to have lost sight of its mission.

Routine, but important, determinations by officials administering the Spill Fund appear to be unacceptably arbitrary. It is not clear what type or quality of evidence a claimant must show in order to be compensated. It is not clear what types of damages are compensable. Will the fund provide compensation for personal injuries, property damage, or just for a new water supply? It is not clear what remediation costs are refundable. Are the costs associated with testing reimbursable by the Fund? Mr. Chairman, the statute is fraught with such ambiguities.

Furthermore, the Department of Environmental Protection has not helped clarify these issues. Instead of providing some clarity to this statute by regulation, rather than make clear the Department's own interpretation of the statute, the Department treats each claim on a case-by-case basis. The Department provides virtually no guidance to legitimately injured claimants, or prospective claimants, regarding the operation of the Fund.

Moreover, too often the Department has allowed claims against the Fund to languish indefinitely while it investigates the claim's worthiness. Injured parties invoking the remedies provided by the statute, as the Legislature intended, deserve a better shake from DEP.

It seems to me that the present system, being so inherently flawed, allows the most sincere and well-meaning State officials to easily lose sight of what's important -- in this case, that's clear drinking water. This can no longer be accepted.

The uncertainty as to the availability of State funds to assist homeowners or local governments in Atlantic County, has proved extremely frustrating. More importantly, the unnecessary delay alone continues to cause many innocent homeowners severe financial hardship.

As Senator Gormley has pointed out, as a matter of fairness, DEP should presumptively deem the damage caused by mercury contamination to be compensable under the Act, allowing access to the Spill Fund. However, if the Department continues to be unyielding in its position, the Legislature must intervene to offer other financing alternatives.

The legislation sponsored by Senator Gormley and yourself, Mr. Chairman, requiring the DEP to establish a formal policy governing the operation of the Spill Fund, deserves this Committee's enthusiastic support.

This legislation directly addresses the underlying problem in the administration of the Spill Fund -- the absence of any framework for rational decision making, and the lack of guidance for both the Department and the injured party in claims that are in progress.

I would respectfully suggest, however, that the Committee consider whether it is more appropriate for the statute itself to set the policy, or at least establish the framework for the resolution of claims against the Fund.

For example, perhaps it is more appropriately the Legislature's prerogative to determine what constitutes a sufficient or prima facie showing to support a claim. What if the Department, in establishing its policy, places the burden of proof on the claimant to show the cause of the contamination, as is the case here regarding the mercury's origin?

In addition, as a general matter, I am apprehensive about giving the Department more than the most carefully circumscribed -- circumscribed authority-- (laughter)

SENATOR GORMLEY: I think you were right the first time. (laughter) I'm sorry.

ASSEMBLYMAN SCERNI: There may be some truth to that, Bill, I know.

SENATOR GORMLEY: Oh, God. Cut, cut. Don't roll that. I took us both out on that one, Fred.

SENATOR VAN WAGNER: Considering the tenor of the time, it's an oft-considered statement, particularly for politicians. (laughter)

ASSEMBLYMAN SCERNI: In this day and age, Senator, I agree with you. Frankly, it's been the Department's inability to effectively utilize its discretion under existing law that has brought us all to Atlantic City today, in the first place, on this issue.

Senator Gormley's second bill, dedicating \$5 million from the Spill Fund to provide low interest loans to residents affected by mercury contamination, is also worthy of the Committee's support. It is absolutely imperative that the State of New Jersey provide those innocent, individual homeowners faced with severe financial hardship, due to the discovery of mercury, some relief.

I would, however, respectfully suggest an alternative funding mechanism. Just a few years ago, the Legislature intervened in a similar matter to assist communities in Gloucester County that experienced drinking water problems. At that time, health threatening concentrations of naturally occurring radium were discovered in the water supply of Washington Township.

Majority Leader Dalton sponsored legislation appropriating several million dollars from the Water Supply Replacement Trust Fund for low interest loans to individual homeowners. These loans were made available through the Home Mortgage Finance Agency to finance alternative water sources.

I have also introduced legislation that would appropriate \$3 million from the Water Supply Replacement Trust Fund to provide low interest loans for alternative water supplies.

Some of the money would be made available directly to local governments who may wish to extend municipal sewer lines. Some of the funds would be allocated to the Home Loan Mortgage Finance Agency for low interest loans to individual homeowners who may be required to sink and prepare new wells.

In addition, my legislation would provide funds to individual homeowners for testing of their wells.

Several members of the Legislature, and some of the entities paying the chemical feedstock and petroleum taxes that support the Spill Fund, have, in the past, expressed concern that the Spill Fund not be used for purposes other than cleaning up abandoned hazardous waste sites. This is consistent with DEP's administration of the Fund.

Regardless of how we feel about this view of the Spill Fund, I would prefer to avoid having a debate about whether this is an appropriate use of the Spill Fund, so that we may expeditiously provide the necessary relief. I have, therefore, proposed this mechanism.

Just one more item, Mr. Chairman, and I appreciate your indulgence in this regard. We are focusing today on two very important measures -- one that I hope will significantly aid all parties who, in the future, must submit a claim against the Spill Fund, and another that will provide direct financial relief to the individuals and communities in Atlantic County impacted by mercury tainted water.

But let us not forget that we must first identify the mercury in our water supply before we can cure it. For thousands of homeowners in Atlantic County that rely upon private wells for their drinking water, there is no uniform, across-the-board testing program.

I plan to ask DEP officials today to work closely with county and municipal health officials. I am specifically requesting that DEP help in identifying potentially tainted geographic areas where private wells should be tested. Although we may not know today the precise nature or extent of the mercury contamination, when the State learns more tomorrow, I want county and municipal health officials immediately informed.

In addition, Assemblypersons Ford and Doyle have sponsored legislation known as the "Private Well Testing Act" that would require the testing of private wells for compliance with all standards established pursuant to the Safe Drinking Water Act as a condition of the transfer of the sale of real property. Senator Russo has sponsored similar legislation in your House.

I respectfully urge the Committee to review this legislation at the next appropriate opportunity.

Mr. Chairman, I thank you very much for coming to Atlantic City and permitting us the opportunity to share our thoughts on this very critical issue. Thank you, sir.

SENATOR VAN WAGNER: Thank you, Mr. Scerni. That was very thorough testimony and I appreciate the fact that you, in your testimony, outlined the background of this whole thing for us. I have to educate myself to the process at least, and please jump in if there's something--

The first detection of the presence of mercury in the wells took place when?

SENATOR GORMLEY: When was the first date, Tracye?

ASSEMBLYMAN SCERNI: June '89.

SENATOR VAN WAGNER: That was about a year ago?

T R A C Y E M c A R D L E: About a year ago.

SENATOR VAN WAGNER: About a year ago.

SENATOR GORMLEY: And what's happened is-- That was about a year ago. Now we're looking at another 18 months,

approximately, because they are now a little more understaffed at the Spill Fund, or DEP, and now they have to go to an outside contract to do the determination as to whether or not it is man-made or naturally occurring. And the problem is, once you get to the end of the process -- and that's why Fred was talking about presumptions -- the presumption is you don't get the money unless you prove beyond all doubt -- and this is how I interpret it -- that it was man-made.

So, consequently, they're putting the burden of proof on the individual citizen, plus a two-and-a-half year delay, and there might be cases where it's a 50/50 call. You might never be able to determine whether it's man-made or whether it's naturally occurring, and the presumption is always against the public. But the circumstances are ones that -- no one disagrees, whether it be man-made or naturally-- It wasn't something that this individual caused to happen themselves, and yet they're in the middle of it.

Also, you have to look to the level of income of these individuals. We are not talking about people, shall we say, who are, many times, in the upper end of the income bracket. We are talking about people where the house is their major investment in the world. And not only do you affect their financial capability in terms of replacing the well, but the value of the home -- being in quote, "one of those sites," which is probably the only equity most of them have in the world, is gone.

SENATOR VAN WAGNER: Was there ever an attempt to bring together a joint meeting of State, county, and local health officials to at least -- putting aside the problems of the Spill Compensation Fund -- address what steps might be taken by homeowners to remediate the problem?

SENATOR GORMLEY: Do you remember Professor Irwin Cory?

SENATOR VAN WAGNER: Yes. (laughter)

SENATOR GORMLEY: That's what the meetings are like. In other words-- I don't question anybody's goodwill or intentions. Fred's been there for those meetings, as have public officials -- we're talking Republicans and Democrats on either side -- sitting in rooms and listening. And the citizens listen. Then one person will say, "We can get you the money," and then some person says, "Oh, no, there's section Q; Q was amended in 1981." Then somebody at the other end of the room goes, "Oh, no." Then you get to the end of the meeting, and the public -- this poor person who's worked nine or 10 hours that day at his job -- comes out to have his public officials explain it to him-- That was the example we had at Egg Harbor Township.

Fred had a meeting in Trenton where we went through mercury testing, or testing for volatiles, which is another issue. The cost of testing is another issue, it being \$20 and \$65. We have tried those meetings. That's why your doing this is so important, to give a greater focus to the frustration that everybody in this room is going to testify to. And no one wants to blame anybody. The bottom line is that the person leaves the meeting and there's no money.

SENATOR VAN WAGNER: What I was getting at is something like this. I just want to pose this in a hypothetical sense: For example, if someone sits down and says, "All right, we have a very complex thing here in terms of how you presume or don't presume. But basically, if you want to alleviate the problem on your own mind, here's what we suggest you do: Use charcoal filters, use this, use that. These methods are proven to be relatively inexpensive. Meanwhile, while we're trying to figure out how to reimburse you for these costs, rather than boggle your mind through all of this, here are some things you can do to alleviate your concern about poisoning yourself." That's a pretty easy thing, you know?

SENATOR GORMLEY: Dick Squires will be testifying, as will the County Health Officer, Tracye McArdle, who will go over all of those--

SENATOR VAN WAGNER: Okay.

SENATOR GORMLEY: All of those things have been done. The problem is, if you say to somebody, "I want to sell my home," they say, "What's that?" "Oh, that's the charcoal filter we put in." I think you'll find that most people--

SENATOR VAN WAGNER: Well, I mean as an interim step.

SENATOR GORMLEY: As an interim, those things have been pursued to a great degree.

SENATOR VAN WAGNER: Okay.

SENATOR GORMLEY: And then the County Health Officer will be here--

SENATOR VAN WAGNER: Right. I'm just trying to bring myself up to speed.

ASSEMBLYMAN SCERNI: Mr. Chairman, let me just share a thought with you. I know that Senator Gormley is familiar with the point that I'm going to make. Let me use Egg Harbor Township as the example: My understanding is that the problem was first discovered in Egg Harbor Township in approximately June of '89. There was some preliminary communication between June '89 and October '89, between the Township, the residents, and the Spill Compensation Fund. By October of 1989, a determination was made by the Spill Compensation Fund that they could not tell where the mercury problem was coming from. Because they could not tell whether it was naturally occurring or, in fact, a spill, there would be no financial assistance at that point in time. There would be no assistance until that determination was made. The problem, basically, lingered from October of '89 until October of 1990, according to my research.

SENATOR VAN WAGNER: That's about a month ago.

ASSEMBLYMAN SCERNI: Yes. So for 12 months, there wasn't an awful lot going on. Senator Gormley and I cooperated

in putting together a meeting of DEP officials, Spill Compensation officials, representatives of the Governor's Office, and representatives of Egg Harbor Township, last month. That was October of 1990. It was in that October of 1990 meeting that the Spill Compensation Fund officials said, "It will take us 12 to 18 months from this point in time" -- that is, October of 1990 -- "To make a determination as to whether or not this is naturally occurring or whether it is compensable."

Now, there's a couple of problems with that: The first problem, as I see it, is what went on from October of '89, when the question arose, until October of 1990. There's a window of 12 months where there is no answer as to what was actually happening. So when we talk about the administration of the program, I think we have to begin looking at that 12 months and ensure that that kind of, just, open-ended delay, doesn't happen in the future.

I realize, as legislators, we're not in a position to run the executive branch of government, but I think we have to approach potential solutions with an awareness that there has been this kind of confusion in administering the program. Then when we come to October of 1990, we are still in a situation where the Spill Compensation Fund is, at that point, going to go out and begin dealing with identifying contractors to do the work to make the determination. So we are still 12 to 18 months away from a resolution. If we back all of this up, what we'd find is that the people in Egg Harbor Township will have been sitting -- by the time we get to the resolution point -- for two-and-a-half years on this problem.

Your suggestion of interim solutions and certain kinds of filters is an excellent suggestion. If it can be done scientifically -- and I will leave that to the Health Officer -- it removes the immediacy of the problem and takes the heat

off. My concern in dealing with the Spill Fund, though, is the ambiguity associated with it, and delays, such as what I now perceive--

SENATOR VAN WAGNER: Well, that's another issue.

ASSEMBLYMAN SCERNI: --as a two-and-a-half year delay in making a determination.

SENATOR GORMLEY: And it will be longer. Now, there was a meeting that we had-- We had a meeting in Trenton, but three months before that -- I mentioned the meeting that ended at 12:15 in the morning-- The Spill Fund people were there and DEP was there. That's something that we've got to be careful about. DEP isn't Spill Fund, and vice versa.

Spill Fund has an attitude that is similar to the Feds. They'll drop the interest rates when they want to drop the interest rates, and that's it. What we had at that meeting three months ago was, the Spill Fund-- A representative of the Spill Fund gave out what I consider misinformation as to who would be eligible and how the municipality could administer money that would come in.

We were going over the issue of redlining, and after there was a determination, as to whether it be natural or man-made, as to if money were to come in, as to how far the money could be expended, or how it could be prorated. It came down to the people at DEP-- You know, you look at heads while these people are making statements. I looked at the Health Officer, Tracye McArdle, who's an excellent Health Officer, and she's going, "It's not the law." The people from DEP are going, "No." The people from the Spill Fund are going, "Yes." And there are 60 residents out there. That meeting was about four months ago.

So we've got to start with the basics of what are the rules for these people. They've really been put on a merry-go-round. Plus, Fred pointed out that it was 18 months, a month ago. It might be longer now, because now they have to

go-- The geologists at DEP are now not available to do any of the work that was going to be done in-house. And now, because of budget cutbacks, they have to go to an additional level of outside contracting, and it will be longer.

You try explaining this to that person who comes home from his job; "Listen, we're really on top of this. Let's explain it to you how we've got this all together." But the characterization I made about DEP shaking their head no, Spill Fund saying yes, and the county disagreeing, is not meant to be humorous. It's an accurate portrayal of how the heads were moving that night at this meeting, with the local officials and townspeople totally bewildered at the end of the meeting.

SENATOR VAN WAGNER: Thank you.

ASSEMBLYMAN SCERNI: Chairman, thank you.

SENATOR VAN WAGNER: Thank you. Mr. Richard Squires, Atlantic County Executive, and Tracye McArdle, who is the Atlantic County Public Health Officer.

C O U N T Y E X . R I C H A R D E . S Q U I R E S : Mr. Chairman and Senator Gormley, I certainly do appreciate this opportunity to be here. I'd like to introduce myself. I'm Richard Squires, Atlantic County Executive. To my left is Tracye McArdle, Atlantic County Health Officer, who has been referred to already as one of our very first-class professionals, and we feel very proud of her.

My purpose in coming before you today--

SENATOR VAN WAGNER: It's a good time to get a raise, Tracye. (laughter)

SENATOR GORMLEY: I'm going to get her a job at the Spill Fund.

COUNTY EXECUTIVE SQUIRES: Thank God, she don't have her salary affected with mine, because she'd be in trouble.

My purpose in coming before you today is to discuss some of our experiences in dealing with water contamination at the county level, and relate those to the legislation you folks are considering.

The proposal, cosponsored by Senator Gormley and Senator Dalton, addresses a number of concerns which we have identified in recent years based on our experience in dealing with the Department of Environmental Protection, and with the homeowners and municipalities affected by groundwater pollution problems.

The discovery that the water you and your children have been blithely using for years for drinking and cooking is contaminated with benzene, or mercury, or any one of hundreds of other toxic chemicals, is a good hard kick in the solar plexus. It will knock the wind out of you and bring you to the devastating realization of exactly how vulnerable you and your children are.

The first questions our people are asked when they report to a family that, yes, their water is contaminated, are "What can we do? How long will it take to fix this? What can we do until then? Who is going to help us?"

I am very proud of our Division of Public Health. Ours is one of the most proactive, responsive, and effective health units in the State. It is our policy, wherever we can, to walk the resident and the municipality through the process from the start to the finish to help make things happen, even in areas where we do not have the obligation, but do have the benefit of experience.

The hardest aspect of dealing with these cases, is that often we can't give clear, definitive answers to those questions, and that you've been hearing already this morning. We cannot, because each time we go through the process with the DEP, we're not sure if the answers we got the last time will be the answers we get this time.

Earlier this year, I testified before the Governor's Pause Commission, the Committee on New Jersey's Policies on Solid Waste Disposal. I explained how officials from the

Atlantic County Utilities Authority had ventured to the offices of the DEP two years ago to ask one simple question, "What do you want us to do?"

Their frustration resulted from years of developing a plan to deal with trash. Each step of the way, they followed the State's lead on what must be done and how it must be done. But many times during that process, they found out that the rules had changed; that no one at the State level could, or would, tell them exactly what they had to do.

We face much the same problem dealing with contaminated water supplies.

When volatile organics were found in wells in Pomona Oaks in Galloway Township back in 1982, the cost of providing bottled water to residents, as an interim step, was not reimbursable. More recently, those costs were repaid to the residents of Delilah Oaks in Egg Harbor Township.

When waterlines were extended to alleviate contamination in the area around Pinelands Park Landfill in 1987, the Spill Fund paid New Jersey American Water Company directly for the cost of the project. One year later, when Egg Harbor Township filed for Spill Fund moneys for a similar project in the Farmington area, DEP officials informed us that the direct payment policy was no longer in effect.

Now, municipalities must find the resources to undertake multimillion-dollar projects and seek reimbursement upon completion. To make matters worse, they must enter into these projects not knowing clearly which costs will be compensated and which will not, and they don't have any reasonable sense of the time frame for reimbursement.

I know that the DEP is taking a very close look at its own house. Commissioner Yaskin has spoken on the record about major changes in the way the Department functions. I applaud the DEP for its willingness to address the problems that exist, but I'm not at all sure that the agency, on its own, can make all of the changes that must be made.

The single most important thing this proposal by Senators Gormley and Dalton will do for us, is set policies and require DEP to follow guidelines to speed up the process and allow us to know what we must do to help our citizens, and what we can expect from the State.

There are several key issues that this bill addresses:

- * The need to create a schedule under which all projects are reviewed step by step, from application to resolution.

- * The need for clear standards for prioritizing claims against the Spill Fund, eliminating, or at least reducing, the confusion that is currently existing and finding out exactly where a claim stands once it is released into the bureaucratic maze.

- * The need for clear standards for the determination of eligible costs for replacement of a water supply system.

According to the statement that accompanies this bill, the proposal would also eliminate the cap, now set at a half a million dollars per case, on expenditures on remediation. It would also eliminate the statute of limitations, permitting Spill Funds to be used for remediation regardless of the date of contamination.

While I am on the subject of review and determination by the DEP, I beg your indulgence for just a moment on a related issue that has arisen in recent months. The communities of Galloway and Egg Harbor Townships, where a growing number of cases of mercury contamination have been confirmed, are anxiously awaiting an answer from the State on reimbursement and necessary costs. The question hinges on a determination of whether the mercury in our groundwater occurs naturally or is the result of a discharge.

The best information available to me clearly indicates that the natural presence of mercury in this region, given our geological conditions, is highly unlikely. I note that DEP has

so far refused to release the study -- which reportedly cites one example in Texas on which the natural occurrence theory is based -- to local officials who wish to review its findings and methodology.

This is unfortunate, because Texas certainly doesn't appear to be Atlantic County, and we feel very strongly that this is not something that came from below the ground. It came from above the ground.

But even beyond the bureaucratic response to this particular issue, I find it very disturbing that we would draw a distinction between pollution caused by an act of God or an act of negligence. If the water you and your children have been drinking is tainted with such a dangerous chemical, it matters little whether it was deposited there by God or by Joe's midnight dumpers. As a citizen, you have a right to know what your government will do and all that it can do to help you, not to draw an arbitrary line based on criteria that really doesn't mean a damn if it's your drinking water.

What we are talking about, and what this bill will address, is a situation in which policy is being set, and in many cases changed, in the absence of formal rules and regulations. In addition to lending a heavy air of confusion to the process of seeking help, it also carries the threat of denying access to the Spill Fund to the people and the municipalities who are so desperately in need of it.

Too often, we don't know what the answer will be when we go to the DEP for assistance. I don't think you know either, and I don't believe the DEP could tell us with any certainty. When you consider the seriousness of the problems that brought about the creation of the Spill Fund, that is not acceptable.

This bill is not the absolute answer. It does not guarantee that all claims will be eligible for reimbursement. It does not guarantee that all costs will be covered. It does

not guarantee that residents will get relief through cleanups or alternate systems, in a manner quick enough to suit them. And that's something that has always been a problem, too.

But it does say to the people of New Jersey, "These are the rules that we are going to be utilizing in determining what aid the State can provide." It says, "This is how quickly the State will act to protect the health of its citizens." And it says, "The rules we followed yesterday will be the same rules we will follow tomorrow."

These things are not too much for the people of Atlantic County, and the State, to ask. Thank you.

SENATOR VAN WAGNER: Thank you, Mr. Squires. That was well put, as was Mr. Scerni's. Senator Gormley just commented to me that we just had two solid sets of testimony for a change, that weren't--

SENATOR GORMLEY: All of our other hearings are this good, believe me. (laughter)

SENATOR VAN WAGNER: Usually, we have this flag-waving. (laughter) It's really refreshing to have you and Mr. Scerni come in and lay out the facts and address the issue. That's really nice.

COUNTY EXECUTIVE SQUIRES: I appreciate that. I would only say that, certainly, Tracye has been on the scene immediately upon any of these calls. You know, it's unfortunate because -- as Senator Gormley mentioned earlier -- a lot of these are in housing districts and they have been there for many years.

In this one case that we have in Egg Harbor Township, those folks have paid off their mortgages maybe five to 10 years ago and now they have this problem. They've raised their children. Their children have gone away and gotten married, and now they're concerned about what medical problems may have been involved in the drinking of that water all of these years. Its got a real emotional state in place.

Tracye has been right on the scene. I believe Tracye has really got some nursing abilities that she uses in this job, too.

SENATOR GORMLEY: I'm sorry, Tracye, just in terms of raw statistics, what are some of the numbers -- as to total number of wells -- in the county, as to the number of cases where wells that are under investigation -- the ones where it's been found? Just so people have a general idea of the demographics of what we're talking about.

MS. McARDLE: Senator, just to give you a sense of perspective in terms of the magnitude of groundwater contamination problems in the county, since 1982 there have been well over 1500 households in Atlantic County impacted by contamination, to the point where the provision of public waterlines has become a necessity.

SENATOR VAN WAGNER: What was that number?

MS. McARDLE: Fifteen hundred households. If you look at 1990 alone, as a result of DEP adopting some very stringent drinking water standards--

SENATOR VAN WAGNER: Excuse me, in what kind of geographic region, you know, in total miles?

MS. McARDLE: We're talking about all of Atlantic County encompassed in the 23 municipalities.

SENATOR VAN WAGNER: Okay. All 23 municipalities?

MS. McARDLE: Right. And these are the known cases.

SENATOR VAN WAGNER: Fifteen hundred?

MS. McARDLE: Yes. And these are cases--

SENATOR GORMLEY: And that represents about 8% to 9% of the wells?

MS. McARDLE: That we know of, correct.

SENATOR VAN WAGNER: How many total wells?

MS. McARDLE: There are over 20,000 wells in Atlantic County, and what our testing shows is that approximately 20% of all the wells that we test show some level of contamination.

SENATOR VAN WAGNER: I wonder if I could -- if you wouldn't mind -- sort of walk myself through this with you.

MS. McARDLE: Sure.

SENATOR VAN WAGNER: Galloway Township-- Let's just say a person now, or people in Galloway Township discover that they have mercury contaminated wells, or whatever. How do they discover that? Who tells them that?

MS. McARDLE: Senator, since 1982, Atlantic County has been very proactive in encouraging all homeowners with private wells to get their water tested annually. We provide a water testing service.

SENATOR VAN WAGNER: So the county proactively has been saying, "Test you water annually?"

MS. McARDLE: Yes. We offer the testing at an at-cost fee in order to help residents take advantage of this testing. And it has largely been as a result of this testing program that we've been discovering water contamination. Once a homeowner has a contaminated well, we at the County Health Department will advise them that they should not use their water for cooking and drinking. We will provide them a Spill Fund application.

We essentially will walk them through the process of filing that application. In the meantime, we will conduct an investigation to determine the extent of the problem in that neighborhood. We will advise homeowners that they're particularly at risk and they should get their wells tested. And from that point in time, we will work with DEP officials, again, in determining the extent, in trying to identify a solution to the problem, and financial assistance to solve it.

SENATOR VAN WAGNER: Okay, I'm Mr. and Mrs. Jones, and now I've gone through this. You've investigated and you find that this is a fairly widespread thing, and I'm Mr. and Mrs. Jones. Several of my neighbors, we all come out and we say,

"All right, what do we do about our drinking water? Do we buy bottled water? Are there things we can do? Where do we go for some technical or other kinds of assistance?"

MS. McARDLE: There are various ways to deal with, "What do you do in the interim until public waterlines are in?"

SENATOR VAN WAGNER: You realize I'm going to start writing a model piece of legislation here, so, you're going to help me do it.

MS. McARDLE: Generally, people must rely either on bottled water or on a treatment system until public waterlines come in. But I think it is very important, Senator, to realize that for people that have mercury contamination, the option of a treatment system is not there. There's no known home treatment system currently on the market that is proven significantly -- sufficiently effective to solve the problem.

SENATOR VAN WAGNER: Thank you.

MS. McARDLE: I think that two years on bottled water is a long time for people to wait. And that's generally what--

SENATOR VAN WAGNER: Yes. I would agree.

MS. McARDLE: If you look at the past Spill Fund cases that we have had, or projects that we've had in the county -- there's been about three or four of them -- on average, it has taken more than two years just to make a determination of who is eligible for Spill Fund and what costs are eligible. In the interim, these people are relying on bottled water and possibly treatment systems, if they have something other than mercury in their water.

SENATOR VAN WAGNER: Do you suggest to them, for example, if you suspect that they've been ingesting this contaminated water for a period of time, also, that they get some type of medical examination themselves? Or, do you kind of downplay that?

MS. McARDLE: Oh, no. We never downplay the health risks. Generally speaking, with the levels of contaminants

that are in the water, the concern is a long-term exposure. Nevertheless, that's almost the first question that people ask: "What has this done to me? What could it do to me? How has it impacted my health?" And we are there to provide them as best advice as we can.

When people suspect that they have a particular illness that they think might be related to the water, we have the mechanism of linking up the personal physician of this particular property homeowner, who has a personal health knowledge of the person, with a physician at the State Health Department who is a specialist in environmental-related diseases. And often when the two doctors talk, they can make a determination of whether or not the water is in anyway associated with health problems that the person is having.

SENATOR VAN WAGNER: So this, of course, is another expense that they have, generally?

MS. McARDLE: No, that piece would be at no expense.

SENATOR VAN WAGNER: That's no expense?

MS. McARDLE: No.

COUNTY EXECUTIVE SQUIRES: But they don't all take advantage of that either.

MS. McARDLE: They don't all take advantage of it. Again, we're primarily talking about long-term risks, and it's very often difficult to assess health related problems with these cases, because you don't know how long that mercury or those chemicals have been in the water. You just have a snapshot picture of what the water was like at the time that you took the test.

SENATOR VAN WAGNER: If you had your choice -- just at this point where we are in your comments-- The contamination has been discovered. It's been found to be widespread. Mr. Squires, this is to both of you.

COUNTY EXECUTIVE SQUIRES: I understand.

SENATOR VAN WAGNER: What would you say, in the best of all worlds, would be the first thing that a governmental unit should do?

MS. McARDLE: Senator, I think it depends on which governmental unit you're talking about. From the County Health Department, our job is to stop the exposure.

SENATOR VAN WAGNER: Let's say an overall point.

MS. McARDLE: Our position -- and we have been doing it -- is to let those people know they have a problem and that they shouldn't be exposing themselves to it anymore. They should stop using the water for cooking and drinking.

SENATOR VAN WAGNER: For example, let me-- Maybe I'll pose it another way: In the best of all worlds, would you prefer that immediate triggering of some type of funding mechanism to begin the installation of city waterlines, begins?

COUNTY EXECUTIVE SQUIRES: Yes.

MS. McARDLE: That would be ideal. That would be a health official's dream.

SENATOR VAN WAGNER: Okay.

COUNTY EXECUTIVE SQUIRES: I really think that there's no question that the waterlines have got to be initially started, to be extended immediately, and that the funding mechanism to be made available to the homeowners has got to be either free or at a low, low interest rate. It cannot have the delays that we've been experiencing in these projects, because it's really unfortunate. The emotional strain on a family unit is so devastating that it's hard to describe.

SENATOR VAN WAGNER: See, I think-- I'm going to take off my Senate hat, if you don't mind, and put on my other hat.

SENATOR GORMLEY: Put your other hat on.

SENATOR VAN WAGNER: I think that it's perfectly plausible in these situations to formulate either maxi or mini bond issues payable on a no-interest basis, which, in effect, could be capitalized and earn interest for the agency that sponsors them, whether it's State, local, or county.

MS. McARDLE: It could be very reasonable.

SENATOR VAN WAGNER: I know it sounds very simple, but most solutions are very simple.

COUNTY EXECUTIVE SQUIRES: Well, there's nothing more important than water when it comes to those people and their health.

SENATOR VAN WAGNER: Talk about an investment!

SENATOR GORMLEY: I think, also, one of the things that's come up, as you remember -- again, I appreciate the fact that we received the unanimous vote of the Committee on this-- Tracye and Dick and everybody had to pick up the pieces the day of an environmental prosecutor's press conference.

SENATOR VAN WAGNER: I seem to remember your comments on that, Senator.

SENATOR GORMLEY: Okay, fine. As it is, there was--

SENATOR VAN WAGNER: Was this the incident?

SENATOR GORMLEY: This was around that time. He came in. He took the pictures of the two space suits.

"Goodbye. Let me go to the next press conference. Oh, Tracye, by the way, handle all of the people -- who are now nervous wrecks about this." I would think that there should be some internal policy. If they're going to do a press conference, call the County Department of Health, that actually has to deal with the psychological effects of those types of press conferences.

SENATOR VAN WAGNER: How about an internal policy that prohibits press conferences?

SENATOR GORMLEY: No, no. We're not going to give him the advantage of saying we're limiting freedom of speech. That would be an easy out for him. I don't remember what justice this is, but he knows it when he hears it, or he knows it when he sees it. And I know grandstanding when I see it, and that was grandstanding. What happens is, everyone in this room -- Republicans, Democrats, the local councilpersons, the County

Executive, Assemblyman Scerni, and myself-- He's off to the next PR stop, and we're back here explaining--

I remember that day we talked. Tracye was running all over the place, because all of these people were quite upset. As it turned out, there wasn't a relationship-- The testing was on the following weekend. The people who thought they were in danger, weren't in danger. Tracye went door-to-door. The county went door-to-door to the homes that night, to the people. They did an exceptional job under the circumstances. But again, if there's a need, or it's appropriate -- and I'm not going to say there's ever an instance where you shouldn't go public -- it should be coordinated. Tracye would have known to do that outreach program that day, to those homes, before they read it in the paper the next day.

SENATOR VAN WAGNER: There should be a requirement that the County Health Officer and the County Executive, or whatever officials are in charge, are immediately contacted, because you're the people who have to, in the long-term, deal with it. That's -- what can I tell you -- show biz.

MS. McARDLE: Well, Senator, just so that we're not totally negative here, I think it is important to note that New Jersey really should be commended for being one of the very, very few states that does have this mechanism in place to financially assist residents when they have contaminated water.

SENATOR VAN WAGNER: Yes.

MS. McARDLE: It's just that the process needs to be formalized. It needs to be streamlined.

SENATOR VAN WAGNER: I'm wondering, and I want to ask you this: This kind of contamination problem where residents are primarily affected-- I'm wondering whether or not there has to be maybe a whole new section of the law written outside of the purview of the Spill Compensation Fund, which really addresses the problem, like Mr. Squires said, regardless of who caused it; regardless of whether it was there from the

beginning of time, or whether it floated in by virtue of Joe's midnight dumpers, or whatever, where it is an immediate presumption, where a resident or homeowner is involved, there is triggered an immediate, emergency assistance program that includes provision for funding to begin the installation of municipal waterlines, that triggers compensatory provisions for the homeowner to pay for various types of steps and hookups that they may have to make, that provides you with funding so that you can begin educational programs, and things of that nature, almost separate from what the intent of this original Spill Compensation Fund was for?

MS. McARDLE: But it should be to get people's lives back in order right away, and to protect their long-term health and their investment.

SENATOR VAN WAGNER: Right.

SENATOR GORMLEY: But it's a case that, the public hears the word "State," and they don't understand that one part of the State doesn't talk to the other part of the State; that DEP and the Spill Fund are two separate worlds.

SENATOR VAN WAGNER: That's disserving.

SENATOR GORMLEY: And what they'll do is, they'll walk in a room-- I'm not imputing ill will to either side, but it's similar to the Casino Control Act. They've got the Casino Control Commission and the Division of Gaming Enforcement, and they will sometimes be at odds. But the system, as it is, to the public-- They go, "Wait a second. If that's the State, and that's the State, can't they agree?" And we place them in the middle of their debates. And both sides are going, "We really want to help you." (laughter) We're there. Trust us, we want to help you. And the public very seldom got the money.

SENATOR VAN WAGNER: In that regard, I happened to meet with Commissioner Yaskin last night, and I really don't envy this woman; I really don't.

MS. McARDLE: She has a tough job.

SENATOR VAN WAGNER: She is desperately, and very diligently attempting to turn the Department towards a service-oriented approach.

COUNTY EXECUTIVE SQUIRES: She is.

SENATOR GORMLEY: She has been excellent, and we've made those comments.

SENATOR VAN WAGNER: She has really worked hard. This woman was exhausted last night, literally exhausted. We talked about this hearing today, and she totally agrees. It's got to be pulled together, and she's trying to do that.

SENATOR GORMLEY: And it was Commissioner Yaskin who, in conjunction with Tracye, had to pick up the pieces after the press conference.

SENATOR VAN WAGNER: I remember you mentioning that.

SENATOR GORMLEY: I noted that day, while I was criticizing-- Here we come with this big State umbrella -- the environmental prosecutors under the State -- but Commissioner Yaskin was in the same predicament that Tracye was, worrying about the effects of-- A communications vehicle like that, without simultaneously telling the residents-- Even if it's only 24 hours of trauma, it's 24 hours that they don't deserve. And that's just common courtesy. So, we are not talking about delaying when the public notice should be given; we're talking about Tracye who has to deal with it on a day-to-day basis for the county, and Commissioner Yaskin who has to deal with it on a State level. They've got to pick up the pieces.

They did it, and citizens were informed. They did a door-to-door drive, and whatever, but it places them in an unfair predicament. They're digging out of a situation that could have been dealt with in a more equitable manner from the beginning.

SENATOR VAN WAGNER: Is there anything else we should know?

MS. McARDLE: I think we've covered all the bases. We certainly appreciate your willingness to listen.

SENATOR VAN WAGNER: Do you have any other thoughts?

COUNTY EXECUTIVE SQUIRES: I think it's great that you're having the hearing here, right in Atlantic County, and also that both you and Senator Gormley are having this opportunity for everybody to come forward and tell what it is. But it really gets down to the fact that its got to be expedited, and its got to be immediate. Its got to have a solution that everybody at all income levels can certainly be comfortable under, immediately.

SENATOR VAN WAGNER: Can buy into. Thank you both very much.

COUNTY EXECUTIVE SQUIRES: Thank you.

MS. McARDLE: Thank you, sir.

SENATOR VAN WAGNER: Mr. Peter Miller, who is the Administrator of Egg Harbor Township. I'm told that Mayor McCullough and Deputy Mayor Bohla are not here?

P E T E R J. M I L L E R: That's correct.

SENATOR VAN WAGNER: So it will be you, Mr. Miller, who will be speaking on their behalf, I assume?

MR. MILLER: Yes, Mr. Chairman.

SENATOR VAN WAGNER: And then, you'll be followed by Meg Worthington. Is she here?

COUNCILWOMAN M A R G A R E T W O R T H I N G T O N: I'm here.

SENATOR VAN WAGNER: Oh, hi. You'll be the anchorperson, Meg, Councilwoman from Galloway Township. And anyone else after that who wishes to testify is certainly welcome to come forward. Sir?

MR. MILLER: Good morning, Mr. Chairman. My name is Peter Miller. I'm the Township Administrator at Egg Harbor Township. I'm not going to repeat the factual history that

Assemblyman Scerni and Mr. Squires and Tracye McArdle have provided. I'm going to focus in more on the local implication at Egg Harbor Township.

We don't take a lot of bragging rights to this claim, but we appear to be the contamination capital of South Jersey. In the last three years, we have installed waterlines to service several hundred residents that have come in. The Pleasant Woods Project has 317 homes, which is where the question as to whether mercury is naturally occurring, or not, originated. We currently have two other neighborhoods, each of approximately 250 homes, where we have contaminated water with mercury and volatile organics.

So, we've been living and dealing with contaminated water for the last four or five years in Egg Harbor Township. We have been through around, in, and out of the Spill Fund, DEP, and the Bureau of Water Supply during that period of time, and our major criticism is that the policies -- rules and regulations -- change daily.

SENATOR VAN WAGNER: Let me ask you this. I just want you to back up. Since you have so much experience in this, unfortunately, when that happens, what are the three areas of the DEP? You mentioned two, the Spill Compensation Fund--

MR. MILLER: The Spill Compensation Fund,--

SENATOR VAN WAGNER: Water--

MR. MILLER: --and the Bureau of Water Supply.

SENATOR VAN WAGNER: The Bureau of Water Supply.

MR. MILLER: And within the Bureau of Water Supply there's another division which we get shelved off to every once in a while.

SENATOR VAN WAGNER: The division of?

MR. MILLER: Off the top of my head, I don't--

SENATOR VAN WAGNER: Whatever they are.

MR. MILLER: Yes.

SENATOR VAN WAGNER: And that's all under the DEP umbrella?

MR. MILLER: Right. The Division in which the Bureau of Water Supply is, is the one that administers their 2% grant money.

SENATOR VAN WAGNER: Thank you. I'm sorry. I was just wondering.

MR. MILLER: I want to preface my remarks, as that, the Township wholeheartedly endorses and supports both bills. We think that the money may be insufficient to cover all of the problems statewide. With the new water quality regulations in New Jersey, the DEP estimates that 20% of all wells would be found to be contaminated. We're only up to 9% or 10% in Atlantic County, so we're halfway there.

I know in my community, I have over 1200 wells that are going to be contaminated, that we have to provide water to, probably within the next two to three years. We have another 500 out there, and we're just seeing this as a matter of time before their wells show up contaminated.

One of the things I wanted to do was to illustrate the need for Senator Gormley's bill based upon the Pleasant Woods experience. Back in December of 1988, the neighborhood known as Pleasant Woods, which has 317 homes, was found to have mercury contamination. In January of '89, we had the representatives from DEP attend a residents' meeting, where we had the citizens. We had a few hundred people there. The State explained to the residents, and to us, how the Spill Fund works, and what we needed to do to comply and be eligible.

SENATOR VAN WAGNER: Did you understand it?

MR. MILLER: We thought we understood it that day, until somebody else showed up and told us something different -- subsequent different stories. We followed their direction, which we received in January of '89. We filed on behalf of all of the residents, a Spill Fund to cover every single home. Also, because of our prior experience in Farmington and other sections -- where it took the Spill Fund three years to act

upon our application, where the water was not installed until they acted -- the local officials decided that we were not going to wait three years. They immediately introduced an ordinance for \$1.8 million to fund the installation of the water system in Pleasant Woods.

From the period of January of '89 through October of '89, we met with water supply -- the 2% grant people and the Spill Fund people, keeping them abreast of everything, providing them with the information, letting them review our construction drawings--

SENATOR VAN WAGNER: Now we are in January of '89?

MR. MILLER: Yes.

SENATOR VAN WAGNER: Still?

MR. MILLER: Yes. The period of January of '89 through September/October of '89 we were having weekly discussion with people in DEP.

SENATOR VAN WAGNER: So you're eight months into the process now?

MR. MILLER: Yes.

SENATOR VAN WAGNER: And you've already acted on a \$1.8 million appropriation?

MR. MILLER: We've already authorized the money -- borrowed the money in July of '89 to go forward.

SENATOR VAN WAGNER: So you're still talking in September of 1989?

MR. MILLER: Yes. We're getting our construction plans and drawings approved by the DEP, so that we'd be eligible for the grant money and the Spill Fund money when it became available.

In September of '89, we inquired of the Spill Fund when the redline designation was going to be completed for the neighborhood.

SENATOR VAN WAGNER: What do they mean by that, redline designation? That has different connotation, you know.

MR. MILLER: That tells you what the Spill Fund will cover. It delineates the area of contamination, and they do a five-year migration of the contamination. They promised us in early September of '89 that that would be completed by the end of September. We also got the same promise in October, November, December, January, February, March, and April.

SENATOR VAN WAGNER: So now we're a year--

SENATOR GORMLEY: Were they consistent?

MR. MILLER: They told us the same thing every month.

SENATOR VAN WAGNER: We're now a year and three months into the process?

MR. MILLER: By the time they completed their redline delineation, it was May of 1990. They attended a meeting in January of '89, telling us what to do.

SENATOR VAN WAGNER: Seventeen months.

MR. MILLER: So we're closer to 17 months after the first time they showed up.

SENATOR GORMLEY: Redlining is beyond the issue of whether it's man-made or natural.

SENATOR VAN WAGNER: They're delineating.

SENATOR GORMLEY: Redlining is something that when you try to explain it to anyone in a particular-- Let me give you a primary example: You say to someone in the neighborhood, "This is the line -- the street. On one side of the street you're polluted; on the other side of the street you're not polluted. We will compensate on the other side of the street. We will compensate those who we say are polluted based on this redlining."

Then on the other side of the street you say, "You will have to chip in the cost to run the waterline, and we'll assess it directly against your house, even though we're running the waterline only because of the pollution on the other side of the street." These people are, "in the contaminated neighborhood," so they get that stigma. They

don't get any State aid, and they have to chip in for the waterline, whereas the person across the street doesn't. Try explaining that at a public meeting.

SENATOR VAN WAGNER: That's why I think it's better to have an overall policy which people buy into, in which you say to people, "It doesn't matter what side of the street you're on. The problem is, we have a contaminated condition here which could move in any direction. Therefore, we're putting waterlines in and we're going to pay for it."

SENATOR GORMLEY: It has to be by the region, but this arbitrary process of dividing a neighborhood--

SENATOR VAN WAGNER: That's got to be taken out. That's got to be done away with. There's no question about that.

MR. MILLER: I'm going to come back to the redline area and how ludicrous it is.

SENATOR VAN WAGNER: Well, it's ludicrous because redlining has a lot of different connotations to people. I mean the insurance companies in the old days -- they claim it was the old days -- and banks in the old days -- at least they claim it was in the old days -- used to use a technique called "redlining." That meant areas where they wouldn't issue mortgages, or they wouldn't write auto insurance. That's what they meant by it. And when they got caught having that kind of a process, which was largely discriminatory, particularly against people of color, they stopped doing it. They stopped calling it redlining, anyway. They probably call it something else now.

Redlining has the connotation to people that somehow or another, "You're downgrading my value or you're downgrading my dignity." Step one is, we have to send a very strong message to the DEP that in these situations you're not going to use that kind of an approach anymore. You're going to go in,

you're going to identify the area of contamination, and we're not going to worry about whether it's this side of the street, that side of the street, or down the block.

This is the triggering mechanism for the next step, which I believe should be a fund by which people can apply for -- immediately -- low-interest loans, or no-interest loans, perhaps, where they have a very liberal payback process which the town can administer, or the county can administer, and apply for, and which can -- if the county or town chooses to -- be supplemented by whatever they want to do for the residents -- period. And then the health officers can do the other kinds of counseling work and things like that. Meanwhile, we're not worrying about who did what to whom. Maybe that's overly simple.

MR. MILLER: With the process-- With us following their lead and direction -- what we assumed to be their lead -- we were finally told in October of 1989 that, "Oh, we forgot you were contracting with New Jersey American Water Company to install the waterlines. You're not eligible for the 2% loan, because we made an internal policy decision a few months ago, that I didn't know about. So you're no longer eligible for the 2% money because it's not going to a municipal utility, but to a private water company." When we questioned back on it--

SENATOR VAN WAGNER: This is now October of 1989?

MR. MILLER: This is October that we were told-- After they told us to revise the plans to conform with their regulations in August and September, in October they said, "Oh, we really don't have to review this, because you're no longer eligible for the 2% money. You're going to be passing it on to the water company to actually install the lines, and they will own the lines." And when we went back to the Bureau Chief, he said, "Yes, we issued a policy in July. They should have known about it. You shouldn't have spent the last three months doing these things."

So finally in November of '89, we signed a contract with the water company, with the money that we previously appropriated, for them to go ahead and install the waterlines. They completed that work. They started, basically, in the spring of '90, and they were done-- Everybody had water, roughly, by the 4th of July, 1990. So the people in that neighborhood went 18 months with the township delivering them water three times a day. We would get them 15 gallons of water every other day or purchase bottled water. As far as we're concerned, that's totally unacceptable for people who have to bathe, wash their cloths, and cook out of pitchers of water -- so to speak -- that are being delivered to them.

But this particular neighborhood was a moderate- to middle-income neighborhood, and those people could not afford to go out and buy water in bulk on their own. We went in there with a 250 gallon water truck several times a week, and we delivered water to the people at our expense. The Spill Fund is telling us that even if they determine that mercury is not naturally occurring, that it is a spill, they don't know if they're going to reimburse us for us delivering the water, because the homeowner who was affected is not the person who purchased the water. But, that's not the issue before us.

Finally, in May of 1990, after the waterlines were half installed, the redline delineation was finally completed. We were told that only 270-some homes out of 317 were contained in the redline area, and the other 62 or so, were ineligible for any compensation.

SENATOR GORMLEY: Those were the people at the meeting that ended at 12:15.

MR. MILLER: Yes. So we said to the DEP, "Wait a minute. You're drawing a line down the middle of the street and saying this side is out, and that side is out. You are cutting through people's backyards." There was one home where the persons next to them and behind them were eligible and they

were not. And we said, "How do you tell a person who lives on a 60 x 120 lot that two of the people who abut his property are eligible, and he is not?" We said, "You're going to have to come down and have a meeting." They didn't want to do that. So we went to Senator Gormley and said, "We can't explain this. You're going to have to impose upon these people to come down and explain it to them."

They showed up on May 29, for about a five- or six-hour meeting. They contradicted everything everybody else had previously said. They contradicted each other. And after five hours everybody left shaking their heads in different directions, not understanding what took place. Still, on May 29, the question of mercury still had not been raised -- that mercury was going to be an ineligible reimbursed amount. So we're sitting there on May 29, and the waterlines are just about in. We're trying to deal with the 60 homeowners--

SENATOR VAN WAGNER: Who can't get any relief.

MR. MILLER: --now that they'll be ineligible for reimbursement.

SENATOR VAN WAGNER: Right.

MR. MILLER: They will get nothing. And we're trying to do a balancing act, saying, "Well, three-quarters of the people will get compensation; the other quarter will not. As of this day, there was still no discussion as to mercury being ineligible, because mercury is a hazardous material. They agreed it was a hazardous material. It was on everybody's list as being hazardous.

SENATOR VAN WAGNER: When did someone decide that mercury was ineligible?

MR. MILLER: In the meantime, Delilah Oaks and the Boston Avenue section started showing volatile organics in mercury contaminations, where they got to the point that we were providing water to them. So we scheduled a meeting for June of--

SENATOR VAN WAGNER: Now, this was outside of the delineated zone then?

MR. MILLER: Yes. This is two other neighborhoods. So on June 12, 1990 -- I believe it was -- we had a meeting and invited the DEP down, similar to what we did in January of '89 with the Pleasant Woods neighborhoods. We had a similar meeting in June of '90 for the residents of Delilah Oaks and the Boston Avenue section. We had our county health officials there, our State representatives, and representatives from DEP, the Bureau of Water Supply, the Spill Fund, and just about anybody else we could get to show up. We even had Assistant Commissioners from DEP there. At that meeting, in passing, we had a geologist there who mentioned that he read a paper from Texas which indicated that mercury may be naturally occurring along the Rio Grande River, and they were going to look into that.

SENATOR VAN WAGNER: That's pretty close to Atlantic County. (laughter)

MR. MILLER: Yes, very close. There's a river nearby, I believe. So, therefore, the DEP may consider studying the issue of mercury and not act upon our application. So here we are, the lines are in. The people are now drinking the water, and they're telling us about a future problem we have. And we said to them, "Well, let's not--

SENATOR VAN WAGNER: On the Rio Grande?

MR. MILLER: Yes. We said, "Why change the rules now. Let's deal with Pleasant Woods. Let's close that up. We can address the issue of mercury in the Delilah Oaks section and Boston Avenue section, but let's not make it retroactive to the Pleasant Woods section. That's done. That's completed."

We asked for a copy of the paper from Texas, and they said, "Sure, we will send you one." We called them back a month later, and they said they can't find it. Till this day, we still have not gotten the copy of that paper.

I sent letters in August, September, and October, all the way up to Commissioner Yaskin, asking for it. We still have not seen the paper yet. Well, finally in-- To deal with the violative organics problem, we had a meeting with the Bureau of Water Supply and they came up with a program known as the Point of Entry Treatment System, which is carbon canisters that kind of deal with the violative organics contamination. Coincidentally, we were finalizing those details on the day the Environmental Prosecutor called this special press conference. So we have installed in our community about 24 of these units to deal with the violative organics.

The State sent us a letter in August telling us how the violative organics program will work for the Point of Entry Treatment System, and in that letter they implied that they were not going to process our application because of mercury. So in August of this year was the first time we ever received any communications that they were holding up our application because of mercury.

SENATOR VAN WAGNER: Now, when you say they were holding up your application because of mercury, what exactly-- Now, the other people, they're all taken care of, Delilah Woods and--

MR. MILLER: No, Delilah-- Pleasant Woods has water there--

SENATOR VAN WAGNER: Pleasant Woods has now got a water supply there?

MR. MILLER: --but the Township has paid for it. The Spill Fund has not acted upon that application yet.

SENATOR VAN WAGNER: Okay. They haven't acted upon that because?

MR. MILLER: They're now studying mercury.

SENATOR VAN WAGNER: They're looking at mercury?

MR. MILLER: Yes.

SENATOR VAN WAGNER: And you're saying to them, "Look, forget about the mercury now. Let's handle what we had going here back beginning in January of '89."

MR. MILLER: Except that the rules that we started playing the game with in January of '89-- "You indicated that mercury was a hazardous substance on your list that the State has."

SENATOR VAN WAGNER: "Now you've changed your mind."

MR. MILLER: "Now you're telling us that it may be naturally occurring and you can't spend--"

SENATOR VAN WAGNER: Because it is on the Rio Grande?

MR. MILLER: Yes. "You read a paper, written in Texas, which said that mercury may be naturally occurring."

SENATOR VAN WAGNER: Which they can't find, and which you haven't seen yet.

MR. MILLER: Which they have yet to produce.

SENATOR VAN WAGNER: Right.

MR. MILLER: So in August of '90, in a letter, which had nothing to do with Pleasant Woods-- It had a sentence in it which said, "We will be studying whether mercury is naturally occurring." So in August we asked them to tell us in writing what their policy was with mercury, and what they were going to do with that. They didn't respond to that. A letter was sent in September to the Administrator of the Spill Fund. He didn't respond to that letter. Senator Gormley wrote letters on our behalf and they weren't acted on in what we thought was a prompt fashion.

We sent additional letters in October to the Governor and to the Commissioner, and then, through Assemblyman Scerni's efforts and Senator Gormley, we had a meeting in late October.

SENATOR VAN WAGNER: This is the famous 12:15 in the morning meeting?

MR. MILLER: No, no. This is the meeting of the Governor's staff.

SENATOR GORMLEY: This was a later meeting.

SENATOR VAN WAGNER: Oh, another meeting.

SENATOR GORMLEY: What happened at the end of the meeting-- I'll just leave it this way: I was given notice of the meeting the day before. So I was working on it by conference call, and whatever. I would just tell you that if it were not for Tracye McArdle, everyone would have left that room with an incorrect conclusion in terms of how to deal with the issue. I don't want to get into-- We can do this all day long.

They had a meeting with 10 people. Everybody walked out and said, "It's a solution." Luckily, Tracye was there, with my office, with the conference call, and we were able to correct another misimpression that would have gotten out. And that's what we've been dealing with.

SENATOR VAN WAGNER: What was the solution that the 10 people said--

SENATOR GORMLEY: Well, the solution that day was that you could qualify because of volatiles instead of mercury, to run the waterlines or whatever. That would qualify.

SENATOR VAN WAGNER: For reimbursement?

SENATOR GORMLEY: For reimbursement. Unfortunately, there were no volatiles. It was a great conclusion that day: "Oh, wonderful, volatiles; we'll qualify under volatiles" There were no volatiles. And you run into another situation that-- You talk about all of these wells, you have to talk about the base cost. It's \$20 for mercury testing. It is \$65 for a test on the volatiles. Now, if we're talking 20,000 to 21,000 wells in Atlantic County, we're talking-- Obviously, I'd like to see it in all grants and us pay for all of the tests, but we do seem to have a minor fiscal crisis, in Trenton, going on right now.

SENATOR VAN WAGNER: Yeah.

SENATOR GORMLEY: And the problem is that we have to make sure that the money is as directed as possible. So they came out of this meeting with, "Oh, we can just apply under volatiles." I, quite frankly, was frustrated with that, because it was, "Oh, good. They think they can do volatiles. That will take care of it for another month or two." Then they would have done all of these volatiles tests at \$65. Our indication was, they wouldn't have found any volatiles, but it would have been \$65 a house to do the volatile tests.

If we pat them on the head for awhile, they'll leave. Luckily, Tracye was there going, "No, volatiles don't show up." That was the last meeting. Luckily, the good part about that meeting was that we stopped-- Usually, what happens after a meeting is that we go further in the hole; there's a different theory, there's a different way out. And if anything, that meeting-- That's when I said, "I'm calling you. There's going to be a public hearing, because we've got to start to set the public record straight and give the focus of the Committee." That's why the bills have been put in and everything.

The last meeting could have wound up a disaster because the public would have thought, "Oh, now there's a solution. All we have to do is a \$65 test." The volatiles would not have shown up. It's like, what other avenue can you give them aside from addressing the Spill Fund. And if it's the State policy that it can't be the Spill Fund, then we have to set up a loan system.

What we have tried to do in Atlantic County, Rich, is not come through with, "We want a grant." We know there aren't grants for everything. We know with the septic system crisis that we have, many of those -- and Tracye could give you the numbers on that -- same people with wells have to have upgraded septic systems, and the cost for that is thousands and thousands of dollars. We have to balance all of this with, where is all of the money going to come from?

It got to the point where-- I'd love for everything to be a grant. And obviously, every politician would love everything to be a grant. Then everybody loves you, and everything is free. Well, it can't be free. We have to give them an honest answer about what can pass. We also have to give them an honest answer, or an answer, a yes or a no, and a real sense of direction, because these people are just floundering out there.

I don't blame them for being confused, because public officials who have spent time on the issue sit through meetings-- By the way, at the meeting that they had in Trenton, DEP was there. The Spill Fund was there. Fred was there. Everybody, apparently, came to a meeting of the minds: "We'll just do volatile tests," and luckily, as I said, somebody who was there who was monitoring the testing-- Basically, everybody concluded at the end, "Yeah, it probably won't show up," after we retracted the meeting for an hour or two. I don't need games like that. Those people don't need games like that.

If Tracye hadn't been available that day, the next day in the paper it would have read, "Here's the solution." And then a month later, it would have read, "It's not a solution; it's not a game."

SENATOR VAN WAGNER: We're kind of beating this to death. Any other comments or suggestions, Mr. Miller?

MR. MILLER: Our impression, driving back from that meeting, was that it was just their way of getting us out of the room and to go home.

SENATOR VAN WAGNER: Yes. The answer to that is yes. (laughter) You knew that before you asked that question. The answer was yes. It's a good way of getting you out of the room, and not dealing with the problem.

MR. MILLER: The reason why we support the bills before you is that, it makes a realistic amount of money

available to address this problem. This is a problem that's going to continue in Atlantic County and other parts of New Jersey as more and more wells test positive for contaminants. If mercury is a hazardous substance, according to the State of New Jersey and the Federal Government, it's something that has to be abated; something that has to be corrected.

SENATOR VAN WAGNER: I think we have to write a new law. I really do.

MR. MILLER: I don't think it really matters as to how the mercury got in the ground in the first place.

SENATOR VAN WAGNER: Right.

MR. MILLER: It's there. We, in the last two years-- In the next two years, we're going to have probably over 1500 homes in our community that need to be connected to city water.

SENATOR VAN WAGNER: I think we have to start to say to people, "Look, no one likes the government telling them what's best for them, you know. But in this case, you know, I think we've got enough data to demonstrate that when you have wells and you have septic tanks, you don't have the best system in the world. In other words, I don't care how much you re-engineer it, and upgrade it--"

I hear people telling me that septic systems and-- The point is, we have development going on all of the time -- commercial, residential, and otherwise. And these kinds of systems that are in the ground now are subject to a lot of impacts.

So I personally think that beyond supporting these bills that Senator Gormley has, which give us a step, I think we have to start to write some new laws about how we begin to take people out of wells and septic systems, and provide the funding for communities. Not a free lunch, but a lower, no interest loan program where people can buy in at a reasonable rate and get the work done. The community can administer it in a simple fashion. The State can either underwrite it on the

basis of a letter of credit support for whatever the municipality chooses to provide the funding for its own residents, or the State can provide a pool loan program. It's easily supported by the payback over a period of time. It's easily capitalized. It can earn the State money, if they use it correctly. I think it is a sound idea to start to think about, the more I listen to this nightmare that has gone on down here for 18 months.

MR. MILLER: You did it for the Wastewater Treatment Trust Fund. You found a way to provide it. And the same type of methodology can be used for this.

SENATOR VAN WAGNER: Same methodology, sure.

MR. MILLER: The two items which I think are of the most importance are: There needs to be clear and precise policy rules and regulations so that the municipal officials can pick them up and work through the maze, and when they get an answer, they can rely upon it. The second thing is, to further that, the agency should designate whoever their point person is -- their liaison -- to say, "Okay, there's contamination in Egg Harbor Township. This individual is your contact person. You can rely upon him. Here are the rules and regulations. Work through this person."

I worked with at least a dozen different people between the Spill Fund and the Bureau of Water Supply, and those persons got promoted; they got reassigned; they no longer have them; they left. Or, "This person is handling this now. That person is not doing yours anymore." I find myself trying to reeducate, bringing them up to speed on it.

SENATOR VAN WAGNER: That's a continuing and constant complaint. And I have to tell you, in fairness to government, particularly State government, what we become is a training ground. And as soon as people become proficient, in many cases, they either move on or up in government, or they move out. And that's a problem that's very difficult to deal with.

But, you're right. We have to somehow or other-- Into that process must be a process by which, if that person moves, there is a definitive procedure in which they notify you that this case is now being handled under the auspices of this person and that that's triggered automatically. So, when a movement takes place, particularly on an issue such as this, where administrators and health officers are having to deal between a number of agencies and constituencies, they at least know who's on first and who's on second, even if the bases change.

MR. MILLER: I'd just like to thank you, Mr. Chairman, for bringing your Committee to Atlantic County and allowing us to be heard here.

SENATOR VAN WAGNER: Well, he brought it here. (referring to Senator Gormley)

MR. MILLER: I thank you.

SENATOR VAN WAGNER: Okay. Meg Worthington, Councilwoman, who has been very patient, from Galloway Township. She is our final testifier today. Meg, I'm in no way being impolite, but I'm going to ask Senator Gormley-- With your indulgence, I have to step out. I will be back.

SENATOR GORMLEY: Okay. Just for the record, Senator Van Wagner and I, really had nothing to do with the Spill Fund. Mark Connelly (referring to Committee aide) wrote it. (laughter) So all of the problems are the staff's problems. They actually did it. Okay, Meg, go ahead.

COUNCILWOMAN WORTHINGTON: Is this the mike that you want me to speak into?

SENATOR GORMLEY: Put them both together. There, you've got it.

COUNCILWOMAN WORTHINGTON: I'm Meg Worthington, Councilwoman from Galloway Township, and in 1988 I was Mayor of Galloway Township. Our Council asked me to be here and to testify today on behalf of the residents in Galloway Township, on a number of issues.

We have 23 mercury-contaminated wells, and we're very disturbed that the Spill Fund Administrator-- I know that you said earlier, Senator Gormley, that we're not here today to affix blame. You might not be; I am. I think that the blame is put squarely on the shoulders of David Mack -- the Spill Fund Administrator. To make a decision, an arbitrary decision with no basis, or no foundation, that they will not fund any type of contaminated well problems or water extensions for mercury, is crazy, when they're putting the onus on the homeowner or municipality to prove that it's a contaminant and not a naturally occurring problem.

. They have one geologist at the Department that will do the study, if it ever gets done. It may take years and years, and they may never know whether it is naturally occurring or not. Instead of taking the more positive approach, and that is, to fund it until you can determine that it is not naturally occurring, or that it is naturally occurring. So I think that it's difficult to legislate for common sense. That's basically, one person has made one decision that says, "We're not going to fund it." That's basically an administrative decision.

Our Council does support the initiatives that you are proposing, but we feel that it's an administrative decision, and this person tomorrow could change his mind. The funding mechanism is there to provide for water extensions in mercury contamination, as well as benzene, or other types of contaminants. And it's one person who's made this decision. I think that that's unfortunate.

If you do, in your legislation, structure something, I don't think you should throw the ball back in the court to the DEP to promulgate more rules and regulations, because I agree with Assemblyman Scerni that they may promulgate a regulation that continues to maintain the burden of proof on the homeowner or the municipality. So, it's difficult in that respect.

The other thing that Galloway Township has had to deal with, and this is even more distressing-- The Spill Fund, when they pay for contaminated problems or finance water improvements in contaminated areas such as Galloway Township-- We have franchises throughout the municipality with the New Jersey Water Company. So we do not have a private-- We don't have a municipal utility authority that runs waterlines. We rely on a private water company, as does Egg Harbor Township, and most of Atlantic County.

The Spill Fund allows-- In 1986, the Federal Tax Act was changed to require a tax on water extensions. If there's a million dollar extension and somebody pays for it up-front, to the New Jersey American Water Company, a Federal excise tax of 51.5% is then added to the cost of that improvement. So, if it's a million dollar project, you get slightly over \$500,000 added to that because the Federal government uses it as a gift tax. What happens is that the water company asks for the money, all up-front. They don't finance anything. It's a scam. They then just take it and put it in the bank, and the Federal government says, "Well, there's none of your capital extended. This is a gift tax and you're going to pay a tax."

The Board of Public Utilities allows for total pass-through -- not a justifiable pass-through -- in the rate structure for a private water company to then pass that 51.5% on in the rate increase. And the Spill Fund allows 51.5% of their money to go to the Federal government in a tax. It's unconscionable that this has happened.

In Galloway Township, we refused to run any extension and to authorize anymore franchises to the private water company, because we refuse to pay a 51.5% tax. The average extension costs approximately \$3000, and we feel that in the areas that we would most likely have to run these improvements; it would be approximately a \$20 million expenditure if we did

it all today. On top of that would be a \$10 million tax that would be passed through to the Federal government, which is ridiculous.

So we said to the water company, "We won't allow this. . . We're going to do all of the improvements ourselves, or we'll consider condemning you and taking it over ourselves." We finally-- They didn't like any of those ideas. We don't want to be in the water business and they don't want us in the water business. We finally are in the process of negotiating a contract with them which will sidestep, we believe legally, all of the taxes used and we won't have to pay that 51%.

I think that anybody who's going to write another law or take a look at the law and how it is administered, should understand that these water companies are being given a free ride. They end up owning all the extensions that are put in the ground.

The Pomona Oaks one was a \$4 million grant from the -- I believe -- Spill Fund. That is now an asset of the New Jersey American Water Company, and we were just a pass-through. At that time they didn't have to pay the tax. It was prior to '86. Had that same improvement been made now, it would be a \$6 million -- more than that actually -- improvement. It would be a base that the American Water Company has, so it is essentially a gift. And the Spill Fund is allowing this 51.5% tax money that could be going to pay for mercury contaminated things, more benzene problems, and a faster streamlined process.

The money is there and we're now passing it right through to the Federal government as a tax. If Galloway Township was not contracting with a private water company, if we were in the water business ourselves, we would not have to pay that Federal excise tax. Our agreement with the water company is that they will -- and it's perfectly legitimate under the BPU, regulations do provide for--

The water company is going to finance over five years -- a 60-month period of time -- their own improvements. They're going to construct it. We're doing the design and the specifications. We're working together on the permitting of it. But because they're-- The municipality will be guaranteeing them the revenue. We will then go and raise it on a special assessment basis.

Because of us insisting that the private water company finance this over a five-year period of time, and then giving them the guarantee, which basically is no risk to them either-- It is another way to skin a cat, and it saves us, we estimate, over the long-term, \$10 million that would be tax funds that would go right to the Federal government.

So I think if you're looking at redoing the bill, you've got to look at this 51.5% tax that private water companies are being allowed to just get, and just pass right through to the Federal government, which is money that could be spent to triple -- excuse me -- probably double the amount of work that the Spill Fund is financing right now.

SENATOR GORMLEY: I'm sorry, Meg, but do you have a letter or any correspondence from the municipality on this particular issue -- outlining the issue? I was just talking to Mark. What we'll do is, we'll ask staff to look at it and, obviously, the first thing we want to do is seek a Federal exemption. I know it is a Federal tax. And the simplest way to do this, because even if the State agrees, which they should because it's a very -- your argument is-- Who can argue with your argument? You're totally correct. It's really just because you decided not to be in the water business. So, consequently, what I'd like to do is-- The first step is to, obviously, make Bill Hughes aware of this problem, and also Senators Lautenberg and Bradley, and I assume, the whole delegation.

I also know that this is in litigation, because those people who are in the private sector are upset with the 51% tax. It is a little steep. I do know that in the cases where it's totally private, they think it is a little on the onerous side to hit people with 51%. That's a unique bracket.

COUNCILWOMAN WORTHINGTON: But that \$1.8 million that Egg Harbor Township financed includes a large portion of tax. That number would be a whole lot smaller if it didn't include the tax. We refused to do anything else with the private water company. We threatened to put all of the lines in ourselves, and that we would buy water in bulk from them and they would have to give it to us. There is absolutely no way they could deny that. We'd put the lines in ourselves, and if they were interested in responding to an RFP on reading our meters, they were welcome to do that. And they got the message, but quick.

They've done it with us. We feel that within two weeks we'll have a signed agreement with the water company. I think that every other user with a private company should be working the same type of arrangement. Otherwise, they're just getting raped. It adds 51.5% to the entire cost of the project, which sometimes makes it not doable. If you're talking \$3000 for the average extension, you're now talking \$4500, and that's substantial.

SENATOR GORMLEY: Good point.

COUNCILWOMAN WORTHINGTON: That's all. Thank you.

SENATOR GORMLEY: Thank you.

SENATOR VAN WAGNER: Meg, we were just discussing this, and I apologize for being out briefly. This tax really creates an interesting dichotomy. The previous speaker said that the Spill Fund Compensation Act will not, in fact, provide reimbursement if it is a privately owned company doing the extension. You're saying that-- Your comment was that if the 51.5% tax that was promulgated under the TEFRA 1986 Tax Reform Act requires the 51.5% tax to be paid, therefore causing the

Spill Fund to pay approximately twice as much money, half of which is going to the Federal government in the form of a tax, but yet at the same time the Spill Compensation Fund will not reimburse a privately owned extension--

MS. McARDLE: Could I--

COUNCILWOMAN WORTHINGTON: I don't really know if I agree with that.

MS. McARDLE: Peter Miller was talking not about the Spill Fund, but about another loan program.

SENATOR VAN WAGNER: The 2% program?

MS. McARDLE: Yes.

SENATOR VAN WAGNER: Okay.

COUNCILWOMAN WORTHINGTON: The trust.

MS. McARDLE: That one was excluding the private--

SENATOR VAN WAGNER: Let me ask you the same thing: In the best of all worlds-- You're a Councilwoman. You sit there and deal with these situations. In the best of all worlds, if you were to sit with us and develop legislation that would deal with problems that are associated with this kind of difficulty -- contamination -- and the requirement for extending waterlines to areas contaminated, what would you like to see as a framework for the law?

COUNCILWOMAN WORTHINGTON: I thought that the points that were raised earlier, addressed, some of your questions. In one respect, when you were out of the room I said, with regard to the mercury, you don't need to really change the legislation. You don't need a bill such as the ones that you're talking about today. However, our Council supports those initiatives.

You basically have one bureaucrat -- David Mack -- who is the Administrator of the Spill Fund, who I believe is making a decision not to fund mercury contamination because he is not sure if it's naturally occurring or not. And the current Spill Fund does not allow you to reimburse if it's found that it's

naturally occurring. He is, through that decision, putting the onus on the homeowner or municipality to prove, in some complicated geohydrologic study, which at the very end of it may be inconclusive-- He's putting the onus on the wrong people, instead of saying, "Until we can prove otherwise, we will continue to fund these improvements." And what I said, also when you were out, was that the DEP only has one geologist to do this type of study for all of these problems; all of these redline areas that you're talking about. Somebody has to do that five-year migration period. It's one person in the DEP, and he's supposed to be doing the same thing with the mercury contamination. Is it natural? Is it not natural?

It's not protecting the public health or safety.

SENATOR VAN WAGNER: That's what I'm getting at.

COUNCILWOMAN WORTHINGTON: And it doesn't require legislation. It requires somebody to just strangle this guy or get rid of him. He's not doing the public-- He's not acting in the public good. And you're trying to legislate for common sense. Well, we do support your initiatives. Maybe he should be asked to live in Egg Harbor Township, in some of those communities that are taking 18 months to two years, and living on 15 gallons of bottled water. They're insensitive, and they're arrogant. I don't know how you legislate for that problem.

SENATOR VAN WAGNER: What you try to do, I think, and this is the way I look at things: Regardless of where a person might work or what he may do, there's always the risk of getting someone who is not really showing any sensitivity to the problem, sometimes, who becomes, not so much a bureaucrat, but a technocrat in terms of interpretation.

I guess what I'm trying to get at is, recognizing that -- just from Tracye's testimony -- the number of wells that are affected, and the previous -- Mr. Miller's testimony about the estimates of 20% statewide potential contamination of these

wells, and 10% in Egg Harbor alone, there's probably a large percentage in Galloway Township.

It might well be that we have to sit down and relook at this issue and determine whether or not the Spill Compensation Act really should be used to address it; and whether or not we need to look at it in a different light in writing a law that would provide immediate relief by virtue of a waterline extension, and providing the funding through a revolving loan program, or some other mechanism, so that that money can be tapped into on an immediate basis, at a cost reasonable to the homeowner, with an administrative process that's understandable and definable for municipal officials and clearly delineating what takes place if the lines are installed by a private company or a municipal purveyor. And, in addition to that, asking the Federal government, as Senator Gormley recommended, to exempt from the tax those areas that, by necessity, has to have extended waterlines.

COUNCILWOMAN WORTHINGTON: I guess with regard to your question on do I have any suggestions, no. I think that you have to leave that to somebody like Tracye McArdle, who could give you specific language and help you in your direction. But, with regard to the tax--

SENATOR VAN WAGNER: But, what I just said to you, does that make sense to you as a municipal official?

COUNCILWOMAN WORTHINGTON: Yes. With regard to the tax, I think you'll need legal help. The way I look at it is in a commonsense approach, or I try to. On one hand a technocrat -- so to speak -- is saying, "We're not going to fund these potentially naturally occurring occurrences that are hazardous, and they're hurting people."

SENATOR VAN WAGNER: Even though we don't know that's true?

COUNCILWOMAN WORTHINGTON: Even though we don't know that's true. But, on the other hand, we're going to give half

of our money to the Federal government in a tax. It's unbelievable that that person is making a conscious decision in both things to go against the public trust.

SENATOR GORMLEY: I think the important thing about the Spill Fund, too, is that our interpretation of the Spill Fund is they have the discretion to give the money.

COUNCILWOMAN WORTHINGTON: Absolutely.

SENATOR GORMLEY: What we can't be losing sight of right now is that in the law, as it's written, the only requirement is that the element in mercury is one of the qualified elements for compensation. The flexibility exists that this money could be fronted. If at the other end it was proven that it was naturally occurring, period, then there would have to be a form of compensation back, or whatever. But the bill -- the Spill Law -- has a certain right now, as I read it, and this is, quite frankly, not as partisan or parochial a reading as one might think, given the status that we're in. You find that flexibility is there, that it could have been used to fund. They are not as limited as has been interpreted. I think anybody taking a reading will--

COUNCILWOMAN WORTHINGTON: We read that, and we agree with that.

SENATOR GORMLEY: The prohibition is-- There is not a prohibition there and the flexibility exists. It's a matter of finding the mercury. Once the mercury is found, the legitimate discretion is there to do the funding. I don't want that misimpression, that you even have to do my bill, or you have to do another bill.

COUNCILWOMAN WORTHINGTON: We're just saying that the guy could wake up tomorrow -- the same guy, David Mack -- and make a different decision. It wouldn't be illegal and nobody would be fighting him. You're trying to legislate him into-- Because of your frustration and local municipal officials, you're trying to make him come up with a set of standards under which he's going to do his--

SENATOR VAN WAGNER: No. What I'm trying to do-- Maybe I haven't made myself clear. I think you understand what I'm trying to do, Tracye.

MS. McARDLE: Yes.

SENATOR VAN WAGNER: What I'm trying to do is eliminate all of that and say, "I don't want to be involved in discussing whether it's mercury, naturally occurring, toluene, or some other contaminate." What I am trying to do is develop a commonsense approach to the fact that when contamination exists, generally speaking, none of us being a scientist, so to speak, should have to be in a position of deciding which one is harmful to us.

When contamination exists, and it's verified, regardless of what the components of the contamination are, there is, in fact, a mechanism -- a law -- that says that municipalities which are affected by this can, in fact, tap into a trust fund, if you will -- for want of a better description -- completely outside of the Spill Compensation Act, completely outside of whoever is administering it, which is triggered by this event. And the event is verified through the techniques now used. And at that point, administrators, municipal, county, and otherwise, know clearly what they can do, and how much it is going to cost.

COUNCILWOMAN WORTHINGTON: I agree with that. And I understand what you were saying. You also asked if there were any-- You talked about rewriting the Spill Fund.

SENATOR VAN WAGNER: No, no.

COUNCILWOMAN WORTHINGTON: I thought you said that numerous times at this hearing.

SENATOR VAN WAGNER: I wasn't really referring to the Spill Fund. I was referring to creating a better world, if you will.

COUNCILWOMAN WORTHINGTON: Yeah. Well, it does make some sense to make it low interest. A municipality such as

ours would take advantage of that, in the event that we were not able to be redlined in particular areas, to help defray those costs and keep the interest down.

SENATOR VAN WAGNER: I'm even talking about eliminating the so-called redline delineation aspect.

COUNCILWOMAN WORTHINGTON: Then I think you're going back to changing the Spill Fund.

SENATOR VAN WAGNER: No. I'm not even talking--

COUNCILWOMAN WORTHINGTON: Then you're eliminating it.

SENATOR VAN WAGNER: I'm creating a new fund.

COUNCILWOMAN WORTHINGTON: Well, whatever--

SENATOR GORMLEY: One of the problems that occurs is that there's also the limbo problem. You have situations where you might find at the other end that it was man-made. And what happens is, there is a period where there isn't even an interim fund until you make a determination, forgetting whether it's redlined, not redlined, man-made, or natural.

We run into a situation where there isn't even an interim fund; where you might get to the other end of the process and find out you should have funded it from the beginning. The people were totally right. There still is that delay and it isn't even an intermediary mechanism prior to final determination. There isn't an ability to react on an expedited basis once you find a known dangerous substance such as mercury.

COUNCILWOMAN WORTHINGTON: I think your Spill Fund is a good law. I think your problems generally exist in the administration. And, as Egg Harbor Township said, they just got run through the mill. It's a good bill. It's a good law. If you want to change it, change it. If you want to add another fund, I think that would also be helpful. But there comes a point of-- You're limited-- Like Bill said, everything can't be a grant.

SENATOR VAN WAGNER: No, I'm not talking about grants.

COUNCILWOMAN WORTHINGTON: In the municipality there are some places that we found contamination where it's just not feasible. We're 95 square miles. It's not feasible to run a waterline five miles for one house or two houses. It will never, ever-- They will never, ever see water. There's no interest, or whatever, that makes any sense.

Within the areas that are reasonable to run the lines and to assess property owners, I think we're trying to do that, where it makes some sense. Thank you.

SENATOR VAN WAGNER: Thank you. We have one more person who's just signed on. Sandra Beerbower?

S A N D R A B I E R B R A U E R, Ph.D.: Bierbrauer.

SENATOR VAN WAGNER: Bierbrauer, okay. I want to pronounce your name correctly.

DR. BIERBRAUER: Thank you.

SENATOR VAN WAGNER: Sandra, from Egg Harbor Township?

DR. BIERBRAUER: Yes. I'm speaking, I suppose, as a private citizen. I'm a former Chair of the Environmental Commission in Egg Harbor Township.

SENATOR VAN WAGNER: Well, you're more than a private citizen then. (laughter)

DR. BIERBRAUER: And I also teach Environmental Studies at Stockton College, so I have some professional background. Three brief points. Meg made most of the points I wanted to make, anyway.

One is just a general statement: I've discussed with professional colleagues, over the last few months, who has a mercury contamination problem. A perception that disturbs me is that, I get State and county officials who say to me, "Well, Sandy, there doesn't seem to be very much public interest in your mercury problem. Don't the people down there care?"

I'm the one who still gets the phone calls from hundreds of my neighbors in my town. They very much care. They are very, very concerned. They are extremely frustrated.

They really don't know who to address or complain to. That may also be part of finding a better mechanism, for the individual citizen to get the complaint to the correct person in the township, municipality, or county.

I tell them, "Don't call me. Call the Board of Health." Some of them do. But I have even had my friends at the Board of Health say, "Your residents in your town don't seem to care." It is, rather, that they have not found the right mechanism to express their--

SENATOR VAN WAGNER: Frustration.

DR. BIERBRAUER: --concerns and fears, except within the Township meetings. And they have been extremely hairy lately. I guess you can imagine.

SENATOR VAN WAGNER: Yes, I can imagine.

DR. BIERBRAUER: Meg's last point I wanted to bring up again to make sure that your bills address the sporadic case of the isolated resident, not necessarily five miles away from anyone else. We've had a number of cases in my immediate neighborhood -- in Bargaintown -- where there was at one point a dry cleaning establishment and there were sporadic cases of volatile organics. We're trying to raise money to get water into this area.

With the other problem that Meg brought up-- We are contracted to a private utility, and that 51% tax has been incredibly burdensome. This is not just Galloway and Egg Harbor Townships, because from Absecon through Somers Point the municipalities that have had water -- public water -- for longer periods of time-- I know that there are still neighborhoods that do not have water, that are still on private wells, because their side streets are cul-de-sacs.

For example, the town of Linwood could not afford to run all of the water mains to service 100% of their population. So the county-- Even in the county where the public water exists, it has lots of little pockets of residents

not only worrying about contamination, but worrying about salt intrusion, which is a naturally occurring thing, but you still have to--

SENATOR VAN WAGNER: That's a problem in my district -- the saltwater intrusion.

DR. BIERBRAUER: Yeah. We still have to deal with that.

SENATOR VAN WAGNER: We live on the Raritan Bay. No one knows where we are, by the way. Everyone knows where you are because you have casinos here. The area that I represent-- No one knows where it is. No one really cares where it is.

DR. BIERBRAUER: Northern Monmouth County?

SENATOR VAN WAGNER: Yes. You know where it is?

DR. BIERBRAUER: Yes. (laughter)

SENATOR GORMLEY: I know where it is.

SENATOR VAN WAGNER: I was once told by someone, "This is absolutely the hardest place in the world to get to."

DR. BIERBRAUER: That's probably true. Another general-- A new point to bring up, and this is a professional -- a kind of a long-term environmental concern of mine -- is that my Township exports more water, groundwater, from a Pineland community out of the Pine Barrens. We are the single largest exporter of groundwater.

The public water companies and Atlantic City MUA, all get their water from Egg Harbor Township. That is another concern. It's fine to say that this group of private wells are polluted, these people need the public water service, or New Jersey American, or whatever. But where does New Jersey American get their water? From my town. We have seven major wells in the New Jersey American Water Company's well fields, and we have the problem--

SENATOR VAN WAGNER: Who owns that water supply in the Pinelands? Is it the State of New Jersey?

DR. BIERBRAUER: No.

SENATOR GORMLEY: God.

DR. BIERBRAUER: Yeah, right. True.

SENATOR GORMLEY: If I may interject, the question that you're bringing up is one that is a long-term problem.

DR. BIERBRAUER: Yes.

SENATOR GORMLEY: In other words, we're looking at the day-to-day problems, and what you're saying is the depletion of the aquifers.

DR. BIERBRAUER: Sure.

SENATOR GORMLEY: Just so that you know, Senator Dalton and I have been working for nine months to get together what I consider, the bond issue that changes the direction of these issues. Specifically, it will break the threshold in terms of recharge of the aquifers, which is saltwater intrusion--

DR. BIERBRAUER: Right.

SENATOR GORMLEY: --the whole problem. Thirty million gallons of water a day go out the pipe into the Atlantic. The same problem exists with the water that goes into Delaware from the Camden County Utilities Authority.

DR. BIERBRAUER: Sure.

SENATOR GORMLEY: What we have to do is begin the long-term process of upgrading the level of treatment and recharge--

DR. BIERBRAUER: Recharge it in the ground.

SENATOR GORMLEY: --of the aquifers. Recharge of the aquifers is, I think, the issue that you're about to get to.

DR. BIERBRAUER: Yes.

SENATOR GORMLEY: Just so that you know, and I'd be very happy to-- I'm very happy that you're here today, and brought it up. Senator Dalton is having a meeting on it next week. And what we have tried to do is-- When it's announced it will be a project to deal with--

You know, we did the first phase with the first Pinelands bond issue that dealt with the main pipe. And what we have seen is, we have to deal with the mercury problem -- and he dealt with the radium problem -- but, at the same time, between the outfall pipe in the Delaware and the outfall pipe in the Atlantic, that's the long-term question. Now, it's not going to happen overnight. But I just want you to know that for the first time, and it's really being dealt with. You haven't read anything about it yet, because it-- This is what's so very nice about this Committee, and whatever. Dan being a Democrat, I'm a Republican, it's being dealt with so that when we do--

SENATOR VAN WAGNER: Really?

SENATOR GORMLEY: Yeah. I'm the Republican.

SENATOR VAN WAGNER: He's the Democrat? (laughter)

SENATOR GORMLEY: Anyway, the point is, it is a major issue. And what we'll do is, before we actually put the draft in, we'll be more than happy to have you look at it. It will start with recharge in certain of the outlying communities that have been put-- For example, the Hammonton into Mullica--

DR. BIERBRAUER: Right.

SENATOR GORMLEY: --and you're very aware of these problems. To upgrade the treatment at those outlying communities that are on the border of Camden and Atlantic Counties, which have been the pollution problems, and then to begin the planning process-- This is a long-term process to eventually get to the point where it's not going out into the ocean and it's not going into the Delaware.

So, I just wanted you to know that the long-term problem has been identified and it's substantively being worked on. We haven't done anything publicly yet, because we want it to be a very, very tight bond issue in terms of being something that really has a broad-based coalition. Because bond issues, today, in New Jersey-- The public's looking at them very closely.

The public has a great interest in the preservation of the Pinelands, and every environmental group we've talked to had the same reaction that you do. And we said, "We're talking about recharging the aquifer." And it's like, "Thank God somebody is finally talking about that," because the more we put out into the ocean, the greater the saltwater intrusions. We're working against ourselves almost.

DR. BIERBRAUER: Sure.

SENATOR GORMLEY: It is being addressed, and I'd be more than happy -- I know Senator Dalton would, too -- to include you in the process.

DR. BIERBRAUER: Thank you.

SENATOR GORMLEY: Well, thank you for bringing the point up.

DR. BIERBRAUER: One last point: I was thinking that my municipality has been fortunate to this time that we have been able to generate our own municipal bond issues and have impacted benefits for both sewers and extension of the water mains. The Township, so far, has an excellent bond rating and has been able to do this on our own.

SENATOR VAN WAGNER: And which town is this?

DR. BIERBRAUER: Egg Harbor Township.

SENATOR VAN WAGNER: Egg Harbor.

DR. BIERBRAUER: And we've done a lot of this, extending our sewer system and the water mains. That's how we pay for the Pleasant Woods, etc., etc. What happens in the future if our bond rating gets shaky, and for townships like Mullica Township that are impoverished--

SENATOR GORMLEY: If I can interject again?

DR. BIERBRAUER: Yes.

SENATOR GORMLEY: For the first time in the history of the State, to my knowledge-- As you know, Egg Harbor Township is the site of the transfer station, for which they receive community benefits. One dollar of every five dollars is set

aside in a trust fund for water and issues of that nature. Now, no one likes being the site of a transfer station, a landfill, or whatever, but what has happened is for the first time -- and this was done -- the Atlantic County Utilities Authority, in working with the Township, required that there be a set-aside.

You are the only town in the State, to my knowledge, that has ever taken host community benefits and had a portion dedicated, item for item, to these very problems. So even though people might say, "It's only a dollar. It's not enough," it's one dollar more than has ever been dedicated. And it's the first time, to my knowledge, that a host community benefit has been turned around and directed--

DR. BIERBRAUER: Used.

SENATOR GORMLEY: --at a particular problem. So if anything, you would have -- this is a gut, and Richie is better at finance than I am-- But you're the only town in the State with a dedicated fund to water.

DR. BIERBRAUER: My real point, though, was that, one reason I'm in support of your bill is that for those municipalities that cannot raise their own bond issue, this gives them a new way to do it.

SENATOR GORMLEY: Let me tell you, in Mullica we're talking about an average level of income, where people are hardworking. We're not talking about people who are, on the average, in the higher income bracket. If you hit them with either running a water line, or putting a new well in, or, even worse, a new septic system, that's even a greater problem. That's something else we've talked about.

If you take a person who has a \$40,000 or a \$50,000 home-- A minimum I hear on a new septic, Tracye, is how much?

MS. McARDLE: Eight thousand, \$10,000, \$12,000.

SENATOR GORMLEY: Eight, 10, 12. That's it. The home is gone. And how can you sell a home that needs a new septic?

Because the minute you give the onus of pollution, whether it be right or wrong, you can't even sell it. Mullica is a town--

DR. BIERBRAUER: Morton Park.

SENATOR GORMLEY: You've identified a real human need, you really have.

SENATOR VAN WAGNER: I think you understand where I was going before. I'm glad you used the word "set-aside." It's my feeling that -- from what I've heard today -- the nightmare over the Spill Compensation Fund, the 2% fund, and the individuals who are involved in administering it-- It seems to me, from what I've heard today -- and believe me, we have similar problems in Monmouth County and Middlesex County too -- that there needs to be a relooking at this whole issue, particularly where it affects the public's drinking water and water supply.

One of the points that hasn't been raised is: One of the problems that happens in these issues, and is viewed by technocrats, is that roughly 3% to 5% of all the water that goes into a home is really ingested -- used for drinking or cooking. Ninety-plus percent of the water that people use in their homes is for flushing the toilet, showering, washing their cars, watering their lawns, and doing a number of other things that they use water for. But it doesn't diminish the importance of water.

My feeling is that, maybe what we've got to start looking at-- Besides the bills that we're going to act on shortly that Senators Dalton, Gormley, and others have sponsored, is this issue in light of whether or not it belongs somewhere else, rather than in the purview of the Spill Compensation Fund?

Perhaps part of the funding for it should be a set-aside from the Spill Compensation Fund, an identifiable set-aside. Part of it may be developed through additional bond issues, either locally supported or on a statewide basis. Some

of it may be a set-aside from the Wastewater Trust Fund, but a fund in which people who find themselves in a situation such as Mullica Township, such as many other townships in the area, where they would experience severe rate shock if they had to absorb the cost of a capital improvement, can at least find some immediate relief to their problem where service lines can be extended. Maybe not to the extent of the isolated people who are five miles away, but maybe that should be considered, too, and tie it into a total program of aquifer recharge, of elimination of saltwater intrusion.

I can tell you a stunning example of wasting good water, right in my own district. We have a large man-made -- person-made -- lake in our area. It was created by a combination of three corporations: Dupont, Hercules -- all chemical companies -- and NL Industries. They call it Lake Duhernal. That's what it's called.

SENATOR GORMLEY: Lake Duhernal?

SENATOR VAN WAGNER: Duhernal. Dupont, Hercules--

SENATOR GORMLEY: It's not Van Wagner? (laughter)

SENATOR VAN WAGNER: It's not Lake Van Wagner. I have been working with various utilities authorities there each week. Each week, 11 million gallons of water spill over the dam and wash out somewhere. Eleven million gallons of water a week goes somewhere, because the industrial needs of those three companies don't contemplate the use of all the water that goes into Lake Duhernal.

The utilities authority in that area must go north to buy its water. It is sitting on 44 million gallons of water a month that it could use, which would take care of it, and about 18 surrounding communities without any problem. The problem we have -- and talk about bureaucratic nightmares -- is that the companies, which are private companies, would be more than willing to enter into an agreement with the utility authority, but they're concerned because once they do that they come under

the purview of the Board of Public Utilities, which adds to their regulatory costs. Which means, they have to hire more attorneys, more accountants, and more engineers to appear each week to explain to the Board -- or each month -- of Public Utilities why they have this added income, and are they then going to become utilities because they're allowing the existing municipal utility to tap into a water supply which is basically being wasted now.

Area after area of our State is beset by these dilemmas. And the only people that are suffering are the public, because they can't buy reasonably priced water, and when they can, they have to pay exorbitant taxes on it if it's a private company. And if they do, they have to worry about whether or not the water supply is going to be there 10 years from now for their grandchildren, or children. Somehow or another, I think we have to really revisit this issue, and address it in a comprehensive fashion.

A short-term and long-term solution has to be found that's reasonable and sensible, which local officials can deal with, which residents can deal with. That's the message that I've gotten today. I appreciate being here. I really do. This was an education. You have fine public officials and residents here. I have to say that.

SENATOR GORMLEY: I want to thank you for having the Committee meeting here today. It was a good session because, quite frankly, it's nice to see a non-grandstanding session. It was all meat and potatoes, and that's excellent because that's really what gets things done. I appreciate, Rich, you coming down and making the hearing process available. I appreciate the support of -- although he couldn't make it here today -- Senator Dalton for this process. And I think we have taken a step in honestly focusing on the issue, because no one seems to be in disagreement.

I think it's a matter of moving forward and addressing these points.

SENATOR VAN WAGNER: We shall.

SENATOR GORMLEY: So, I want to thank you very much and I want to thank the people for attending today.

SENATOR VAN WAGNER: Thank you. I'd also like to thank two sterling aides sitting on my left and my right -- Pat Cane and Mark Connelly.

SENATOR GORMLEY: Well he wrote the Spill Fund, though. I don't know if we want to thank him. It was his fault.

SENATOR VAN WAGNER: We literally had to drag him out of Trenton today to come down here. I want you to know that. (laughter) They didn't want to come. (laughter) Pat has been preparing all week for the trip. Mark left two days ago. (laughter) Thank you very much for coming.

(HEARING CONCLUDED)

