

PUBLIC HEARING ON ASSEMBLY BILL #246
(ROUND VALLEY WATER SUPPLY SYSTEM)

May 17, 1954

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1954



P U B L I C H E A R I N G

On ASSEMBLY BILL NO. 246,
establishing the ROUND VALLEY
WATER SUPPLY SYSTEM, and all
other "water" bills in the
Legislature.

Held:
Assembly Chamber, State House
Trenton, New Jersey
Monday, May 17, 1954

N.J. Legislature. Assembly. Judiciary Committee.

BEFORE:

Judiciary Committees of the
Senate and General Assembly,
and the Assembly Committee
on Agriculture, Conservation
and Economic Development -
sitting jointly.

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MR. G. CLIFFORD THOMAS (Speaker of the General Assembly):

Ladies and gentlemen, I wonder if we could have a little order in the chamber. It is my pleasure to present to you the Chairman of the Judiciary Committee of the General Assembly, Mr. Paul M. Salsburg, who will conduct this meeting this morning. Those of you who have manuscripts with you will please hand them to the secretaries at the first two desks here.

Now, Mr. Salsburg.

THE CHAIRMAN: Ladies and gentlemen, I presume you all know, of course, what we are here for. Although there have been a great many people who signed in, the Committee does not sit as a jury. They merely want to hear all the salient points that are to be presented, with a view then of preparing properly a bill which will be known as a Committee Substitute and which will include the other bills which are under consideration. By reason of the large number of people here assembled, it will be necessary, in the judgment of the Chairman, to limit the time. Otherwise, we certainly would not get through.

Now I would like to introduce the members of the Judiciary Committee who are present from both Houses. Pardon me for mentioning myself first as Chairman of the Assembly Judiciary Committee. We have William Haines of Burlington County, John Junda of Passaic County, William Barnes of Essex, Milton Glenn of Atlantic, Frank Thompson of Mercer, and James Jamieson, all members of the Committee of the General Assembly. I don't know whether Senator Wallace is here or not. We have Senator Farley of Atlantic, Senator Summerill of Salem, Senator

Hannold of Gloucester, Senator Dumont of Warren, Senator Voel of Middlesex, and Senator Sharp of Cumberland.

Now I am going to call first, but not necessarily in this order, on the following people and they will be asked to confine their remarks not to exceed five minutes. Those who will be called are: Dr. Thurlow C. Nelson, Arthur Sherman, William Orchard, the Mayor of New Brunswick or representative of the Chamber of Commerce, Oliver Willits, Shepard Powell, Joseph Palmer, Robert Zachary, Leo P. Carlin (Mayor of Newark), Nathan R. Leavitt, Harold Ohland. They will present, as I understand it, one view.

I might say to any of those who desire to be heard, perhaps if they pay strict attention it may not be necessary for them to speak. I am speaking of those who may have come here perhaps because they have some concern for a particular locality.

Therefore, I will call first on Dr. Thurlow C. Nelson, Chairman, Water Policy and Supply Council.

MR. ELMER S. KING (Former Senator From Morris County):

Mr. Chairman, I am former Senator King, here today representing the County of Morris. I have been through these water fights for the last 25 years, and I think that your limitation of time, in view of the importance of these bills to Northern New Jersey, is far too small. May I respectfully request that enough time be given so there may be a full and frank discussion of these bills without limitation?

THE CHAIRMAN: Mr. King, here are 11 people. I am sure you will not be too limited. I felt that those 11 persons could possibly

cover this subject within that time.

MR. KING: Thank you. I just wanted it understood at the start.

THE CHAIRMAN: There is no intention of gagging anyone. We want a complete discussion on the subject, but when you consider the number of people involved, you will understand we have to have some sort of limitation.

DR. THURLOW C. NELSON: Mr. Chairman, ladies and gentlemen: What is the urgency in regard to water supply in this State today? In 1946, the late Dr. Merrill Bernard, Chief of the United States Weather Bureau, told the American Water Works Association in Atlantic City that there are very few places in the world as blessed as is New Jersey with a copious rainfall, evenly distributed. Actually, we have received over the years 45 inches of rainfall, distributed three or four inches a month throughout the year. But starting in 1930, we entered a period of less than normal rainfall. Dr. Bernard went on to show from actual statistics collected over New Jersey that the departure from the norm - the curve has been going down ever since 1909, and we are now far below what we were getting prior to 1909.

Now, because of this even distribution of rainfall, we have over the years depended upon stream flow, and we have depended upon our underground resources from which much of our water in New Jersey comes. In the final report of the State Water Policy and Supply Council, of which I was a member, in 1945 you will find this statement: Comparing the amount of water in storage in metropolitan Northern New Jersey with that in two other areas, we find this great discrepancy as compared with metropolitan Boston, with fewer people and fewer industries: We had only one-eighth as much water in storage in

reservoirs as did metropolitan Boston at that time. As compared with New York City, with two and a half times as many people but with fewer industries, we would have at the completion of the Delaware River project nine and a half times as much water in storage.

Now then, the whole situation as I see it is to acquire more storage. At the end of 1950, we had one of the larger floods on the Raritan River, during which there went past our automatic gauging station at Manville, adjacent to Bound Brook, a flow that reached its maximum at 853 cubic feet per second. That flow, starting with a dry basin, would have filled it to overflowing in less than two days. So that is the picture. We do find during low flows in the Raritan River that the Elizabethtown Water Company, although it has risen to 25 million gallons a day, at the junction of the Millstone and Raritan Rivers, can actually depend on only 12 million gallons a day. Think of that, ladies and gentlemen, when you compare that with the yield from little Lawrence Brook which supplies New Brunswick and has a watershed of 41 square miles, yet it will supply 8 million gallons a day. The Elizabethtown Water Company has a watershed area of 490 square miles, yet there is a dependable yield during dry flow of only 12 million gallons a day. There you have the picture. So we stress in this report the great need for storage and we suggest the acquiring of the Round Valley site and the Dock Watch site for reservoirs.

That brings us to our next point: We know we have in the northern part of the State one of the most priceless recreational areas in the entire world. The people there are naturally fearful that their recreational uses of water are going to be interfered with, and they

are wondering what they are going to be able to do without water in the future when, because of the development within their area, the available ground water supply is used up. They have the same problem that is confronting the whole State, because at the very time water is needed in the dry period, there is less flow. I submit, ladies and gentlemen, the interest in storage from flood flows along the Raritan is quite equal to that in the cities.

I am delighted with the release from the Governor's Office last Wednesday which stated that in his opinion the needs of the lake counties are equal to those of the water supply. As you gentlemen and ladies of the Legislature will remember, in 1945 you set up the legislation turning over the Canal to our Division for operation for water supply and recreation, so in that act you of the Legislature recognized these needs.

Finally, as Biologist of the Division of Shell Fisheries, it is my duty to point out that there are certain implications with respect to the withdrawal of water from the Mullica River to the oyster industry which exists in Great Bay at the mouth of the Mullica River, but through the storage in the Mullica River the need for a more even flow can be taken care of. We see in South Jersey the great potential water supply of the State. Actually it will be possible to draw up to one billion gallons of water to points throughout the area, because here the water runs into the soil instead of pressuring off into the streams.

Thank you.

THE CHAIRMAN: Thank you, Doctor. The next gentleman who has

the privilege of the floor is Nathan R. Leavitt, of the Elizabeth Water Board. Is he present?

MR. NATHAN R. LEAVITT: I represent the Board of Water Division of the City of Elizabeth. Elizabeth has been looking for a source of water supply since 1931. We are now dependent entirely upon the City of Newark for our water under a contract which gives us their surplus water. A year ago, they told us that possibly they would have to stop supplying us with water because they had reached the safety line. We then suggested, or had it suggested to us, that we might possibly get water from the Canal. We toyed with that idea until the North Jersey Supply Commission suggested that we might investigate the possibility of Round Valley. We gave up the idea of the Canal because it meant making a contract with the Elizabethtown Water Company to treat and transport the water to Elizabeth. That meant the building of a pipe line, which would cost us more money than we thought we should spend. We even toyed with the idea of acquiring Round Valley ourselves, with the City of Newark, Hillside, and one or two other municipalities. At that time we employed an engineer, Mr. Anderson of Newark, to investigate all the possibilities of a water supply for the City of Elizabeth. He came in with the report just about the time your Senate Bill No. 11 was introduced. We thought Senate 11 would be the answer to our prayer, but nothing was done about that.

After his report, we entered into a contract with the City of Newark to pay our share of \$25,000, the cost of exploring the possibilities of Round Valley. We have paid our share of eleven thousand some odd dollars. Newark and Hillside paid the balance. That investigation is

now being made. I recite these facts simply to show you our interest in Round Valley.

We must have a new supply. Newark will only give us their surplus water.

Thank you.

THE CHAIRMAN: Thank you, Mr. Leavitt. The chair will now recognize Mr. Arthur Sherman, engineer. Is he present?

MR. ARTHUR SHERMAN: It has been suggested that I speak for a moment on the subject of the future needs of the North Jersey District for additional water supply. As most of you know, water consumption in what we call the North Jersey area, the six north-easterly counties of the State, has shown a rather steady and sometimes alarming increase over the years. Back in 1915, that area was using about 200 million gallons of water per day. That was about the time the Wanaque project was first talked about. By 1930, when that project was finished, there was added to the supply of the district, something in the order of 19 million gallons a day. The water consumption of the district had increased to 300 million gallons a day. We were practically approaching a shortage of water at that time. The depression came along and the need for water fell off. Since 1930, there has been a continuous demand, or at least a continuous series of reports by the water engineers of the State and its municipalities, urging something as a solution to the water problem. The North Jersey Commission made a report in 1925 and again in 1931. The State Water Policy Commission made a report in 1931 and numerous reports since. Today the consumption of the North Jersey area is something over 415 million gallons a day. The safe yield, as we call it, to develop

supplies in the area is in the vicinity of 435 million gallons a day, total. There is a lack of adequate information universally available, but for the purpose of analysis, we consider that the water supply we have on a district basis, with the consumption of 415 million gallons a day, must be increased; in other words, we are out of water.

We have made a number of estimates as to the future demands of the district, and similar studies have been made by a number of other engineers and organizations, and it appears reasonable to assume for planning purposes, on the basis of reasonable assumption, that by the year 2000 we will need some 750 million gallons of water a day. There are certain small developments available that might add perhaps to that now being used 100 million gallons a day. We also realize that in all probability some of the present supplies would be abandoned for economic or sanitary reasons before the year 2000, which would perhaps cancel out the small developments. The net result figures out that roughly we will need to add to our supplies by the end of the present century about 350 million gallons of water to what we now have, which involves the Round Valley, which is an adequate supply within its limitations, and the use of the Raritan Canal, which has perhaps a capacity of 75 million gallons a day, but it will eventually involve going further west to branches of the Delaware, and finally before the year 2000 to the Delaware, itself. There seems to be no alternative to that conclusion.

That is all I have.

THE CHAIRMAN: Thank you, Mr. Sherman. The chair recognizes

William Orchard, the head of the American Waterworks Association,
New Jersey Division.

MR. WILLIAM ORCHARD: I am here as a member of the Water Supply
Committee of the New Jersey Section by instruction of its chairman.
I am just a member of the Association. I am also here as a New Jersey
industrialist. I am happy to recognize in your group, Senator Lance
and Senator Farley, who joined me in making up the 81 delegates who
wrote the 1947 Constitution of this State. I am talking to you
gentlemen of the Committee and the ladies and gentlemen of the
audience on the whole subject of water. You have heard about it
generally from Professor Nelson and others, but I would like to
pin-point it, if I may.

We have about five million people in the State of New Jersey.
In the use of water in this State we are relatively moderate. How-
ever, the studies of the American Waterworks Association show that
throughout the country the rate of water consumption is 140 gallons
per capita per day, and the best figure we can get in New Jersey is
about 100 gallons per capita per day. In the whole North Jersey
district water supply area it is probably 100. The City Engineer of
Newark tells me that in the City of Newark it approaches 150 gallons
per capita per day. Now, you of the Committee and the members of
this audience would like to know, I am sure, what the experts say
that water is used for. Well, of the 140 gallons, the average per
capita throughout the country, 50 are used for residential purposes--
water that we use for drinking, cooking, laundering, flushing toilets,
bathing, and lawn and flower sprinkling, when we do it. Fifty gallons

are used for industrial purposes, because a good water supply attracts industry, and without a good water supply industry goes elsewhere. Ten gallons are for public use - for general sanitation, for use in public buildings, for street sprinkling, public swimming pools, and the like. Twenty gallons are for commercial usages, in stores and restaurants, and keeping up general sanitation in our commercial districts; and the remaining ten gallons, unfortunately, in the judgment of waterworks engineers who have made a lifetime career of it, is the average lost through distribution systems, because these pipes will break and crack and leak. Ten gallons of that 140 gallons per capita per day is gone in that way. The increased water in the City of Newark used over the average of the North Jersey district is because of the great concentration in that city today.

Mr. Speaker, may I, as an aside, compliment many of the members here this morning on their extraordinarily fine appearance on television. Last night, preceding you gentlemen, the Governor had an interview with a gentlemen whose task it was to stress the importance of the pharmaceutical and chemical industry of New Jersey. In that address, he pointed out that payrolls in that industry were two and a half billion a year and that one half billion of that was paid out in the State of New Jersey. That by inference indicates that one-fifth of the chemical industry of the United States is concentrated in this State. I had thought that it was higher, and I direct your attention, if you please, to a bulletin "What is Ahead for New Jersey?" which points out the civilian labor force in 1950 in New Jersey was 2,068,000,

and the estimate for 1975 is 3,054,000. That is an increase of one-half of 50 per cent in 25 years.

Now, as to what you gentlemen are debating in this bill - and I vigorously commend your effort in bringing together these various suggestions that have been made to continue to make this the State of opportunity. But without water it will not be a State of opportunity; without adequate water supplies, industry will not come to New Jersey. As I stated at the hearing before Senator Littell's Committee last fall, the three chemical industries that I was connected with were thinking of moving and relocating and they would not come to New Jersey because of the difficulty of water supply.

This matter of water supply affects the whole State, not just those of us who work in Belleville and buy our water from Newark, and those of us who live in Maplewood and whose commonwealth water company's supply must be supplemented by water that they purchase from Newark, but those of us who suffer in Ocean County, who are forced to save water to the greatest extent because of the low level of the wells. It involves the whole State.

In this bill, which so wisely takes care of the southern part of the State and the northern part of the State, it provides in its wording, or should clearly do so before its enactment, that there shall always be maintained certain minimum flows through the rivers and certain actual levels of water in the lakes so as not to handicap or in any way jeopardize the future of their streams or of their lakes. In providing for the Wharton tract, which the State has already bought, in large part for the future water supply for South Jersey for probably

50 years, and in providing for additional reserve capacity, you are wise. If you take a pencil, you would wake up as I did only yesterday, belatedly, to the fact that in the words reservoir and reserve, the first six letters are the same. A reservoir is just a reserve.

To be sure, we have had an abundance of rainfall in the last few weeks, but we have gone through, as Professor Nelson said, many months of scant rainfall, many years of less than normal rainfall in the past.

Now, there are two questions for you gentlemen, it seems to me, to decide, but I will, with your permission, address myself to the major one. You are controlling, you are judging now, no less seriously than we did who wrote the Constitution which was adopted by the people of this State - you are passing on the future of the State of New Jersey. Without adequate, plentiful water supplies, New Jersey cannot continue to prosper and advance and be the State of opportunity.

Now, who is going to run this? This is a matter for you to decide in your wisdom in drafting the bill. It would seem to me that the provision in the bill permitting the use of capable, top professional personnel where they are available is a wise one.

The big things I want to present to you, gentlemen, are these: It must cover the whole State. It must protect the lake regions. It must take care of minimum flow of streams during periods of dry weather. With those three points, I commend you gentlemen for your interest in this subject. If New Jersey is going to continue to prosper, we must have more water, and, gentlemen, we don't get more water tomorrow. We will have all we can do to complete these two projects and get them in

operation in ten or twelve years, because these are big projects and will take a long time. The future of the whole State, it seems to me, is bound up in this project, and if there ever was a time when you gentlemen and all of us should do our best to act as statesmen, it is now.

THE CHAIRMAN: Thank you, Mr. Orchard. Lest I forget, for the purpose of the record, not only has the Joint Judiciary Committee been interested in this important subject, but we also have with us the Assembly Agriculture Committee, which is composed of the following Assemblymen: C. William Haines, Raymond E. Bowkley, Douglas Rutherford, William Hyland, Thomas Lazzio, Benjamin Franklin, 3rd, and John A. Waddington. I want to report their presence.

Senator Lance, did you want to make a statement. I understand you have other amendments. If so, the chair will recognize you.

SENATOR WESLEY L. LANCE: Mr. Chairman, I am Wesley L. Lance, State Senator from Hunterdon County, which is the county in which Round Valley is situated. There are people here from my own county who will give you their attitude as to how they feel about this particular project. My purpose rather is to address myself to some technical aspects of interest to the draftsmen of the bill, on the ground that if the Round Valley project must come, there are certain safeguards desirable. I have eight points here and I think I can do it in five minutes.

Number 1 is the financing. As we all know, next year the State of New Jersey will be on the threshold perhaps of a new state income tax or a general sales tax, unless the Legislature of this year and

next year is most careful. I propose-- let us say, if it costs sixty million dollars to build a particular project-- that bonds in the amount of seventy million, or something over that, be floated, and that the ten million dollars excess be invested and be used for amortization and interest. I admit that as a general thing, that is a lousy system of financing, where you go to the bank and borrow enough money to pay interest and amortization back, but I propose that in this particular instance, due to specific circumstances, it is justified, and the users of water eventually pay for it, because New Jersey is a state of five million people. The majority of the water will go to the masses, but on the other hand there will be many people in New Jersey who will not directly benefit.

2. So far as the cost is concerned, I think to date the information has been inadequate to show: (1) What will South Jersey cost? (2) What will North Jersey cost? Then divide North Jersey into (a) How much for Round Valley, and (b) how much for diversion from the Musconetcong, and the South Branch of the Raritan? And that should be done.

3. As to condemnation bills. There are more bills in this Legislature about water than Carter has pills. In fact, you don't amount to much in the Legislature unless you have at least one water bill. In fact, I am addressing myself to all water bills. The condemnation system should be practically the same as the State Highway uses and the power and light companies use and others, whereby there is a condemnation commission of three people, and if you don't like their award on either side, you appeal to a jury of 12 persons to decide.

In some bills the condemnation procedure does not give that safeguard to land owners. I might say that any method of condemnation which says that 15 per cent of the assessed value shall be put on deposit until the dispute is settled, is inadequate, because in the rural counties the land is very much underassessed, as the State Tax Policy Commission will indicate later in the distribution of the state school aid.

Next, insofar as suit rights are concerned: This year it was my duty to sit on the Claims Committee of the Appropriations Committee, which took up more time than the Appropriations Committee, itself. The Claims Committee is a group to which the people of the State come to tell their story, because you cannot sue the State of New Jersey. New Jersey is sovereign - stemming from the law of England, I suppose - but no matter where it came from, you cannot sue the State. Now, we want to be very careful that if lower riparians are injured so that they would have a course of action against a private water company, that same right of action will be transferred to the State of New Jersey. If you take a man's hundred acres, you pay him, but if you take his riparians, as a lawyer you determine that all he is giving up are his riparians and he should be paid nothing.

Now, insofar as possible sites are concerned, I think the people of my county would feel better if there were a discussion of other sites and if the advantages and disadvantages of those sites also were discussed. We have the Round Valley site. It has no cemetery; it has no railroad to relocate; it has no heavy industry; it has no concrete roads. Undoubtedly, that is one of the reasons it was chosen

as compared with some other site, and because of the relatively cheap condemnation costs. In this connection, I might say there will be county roads which will be disrupted and township roads, and in view of the relatively cheaper condemnation costs-- because everybody admits that one of the reasons this was thrown out of Somerset County was because in the last ten years, Somerset County was built up, making condemnation expensive-- but in view of the fact that condemnation costs in Hunterdon may be less, then other consideration must be given to the relocating of county and township roads which are involved.

I have addressed myself to certain technical aspects of the bill, well knowing that certain people in this area will later want to make known their attitude in this respect.

THE CHAIRMAN: Thank you, Senator Lance. Is the Mayor of New Brunswick present? If not, I will call Oliver Willits. Is Mr. Willits present?

MR. OLIVER WILLITS: Mr. Chairman and members of the Committee, ladies and gentlemen: I am from South Jersey. We need water. We may not have been as diligent in this respect as our northern neighbors. Our industrial growth is beyond imagination. I think the Superintendent of our Water Company can vouch for that statement. We have four new steel companies which have located in the area. One purchased 2,000 acres and will start work in two years. A large oil company has acquired a large site below Paulsboro, which makes South Jersey the second largest area of oil concentrated in the country. A new bridge was completed two years ago at Wilmington, and a new bridge is being

built now from Philadelphia to South Jersey, all of which points to more water. The oil growth particularly asks for one million more gallons a day. I canvassed a few companies last week, and they have presented petitions to the local water companies and to the State for more water.

We think, like our good friends over there, that the water belongs to the people. We think the final authority as to its use should be vested in the State. We hope with these deliberations that action will come, because if it takes from three to five years to get the plans, we will be around with our hat in our hand, asking for more water.

THE CHAIRMAN: For the purpose of the record, Mr. Willits, I understand you are President of the Campbell Soup Company.

MR. WILLITS: I am Vice-Chairman of the Board.

THE CHAIRMAN: The chair will now recognize Mr. Shepard Powell. Will you please state for whom you speak, Mr. Powell?

MR. SHEPARD POWELL: I have no specific knowledge of these two projects. My interest in being here today, and I think I should preface my remarks by identifying myself and why I am speaking here today: I am consulting engineer for Baltimore and Maryland, and I have a great interest in the State of Maryland. For more than 30 years I have been serving industrial clients in municipalities in the State of New Jersey, both South and North Jersey. In addition to that, in the first Delaware River diversion case, I was industrial expert, and I was employed in the present Delaware diversion case as New Jersey's expert. I am making a study now of the effective dredging of the

Delaware River and the underground waters in the State of New Jersey.

With that background, I would like to speak very generally on what I think, based on experience not only in the State of New Jersey but throughout the country and throughout the world, the needs as to water are. There is no question in the world but that the growth and development of our water supply, either surface or underground water, are of enormous importance. No community can grow industrially and thereby grow in population and economic resources without an adequate water supply. There have been many statements in the press throughout the past years with regard to our lack of water. But, actually, barring some arid areas, there is no lack of water. There is lack of planning, and you gentlemen are now facing that problem. What will you do for the future? It is not what you have today. But these projects cannot be developed overnight.

We do a great deal of work for clients throughout this country, and there are always two matters of prime importance that are considered by the industries with whom we have been associated in regard to selecting a site: First of all, is there water? Is there ample water - not at the present but for the future? Second, is there adequate means for disposal of waste? In some areas they have been able to solve the problem and have turned to the treatment of the sewage. One example is the Bethlehem Steel Company at Sparrows Point. They are now using about one-half of the sewage of Baltimore City. They are pumping it 14 miles to Sparrows Point. There is great activity in Southern California on the same type of acquisition of water, and they are getting it because they do not have an ample supply for their

needs.

I think it is well known that at the Sparrows Point development, the need for the use of Baltimore sewage is due to the expansion that they have had, and that goes on everywhere we know. So with this particular area, I think it is of the greatest interest that the State take care of it, not only now but for the future.

I would like to say as strongly as I can, in confirmation of what Bill Orchard said about the need for water: It is not just the need for South Jersey; it is not just the need for North Jersey; it is the need for the State of New Jersey.

Thank you.

THE CHAIRMAN: The chair will recognize Joseph Palmer, Cranberry Growers Association of South Jersey.

MR. JOSEPH PALMER: At the present time there is no shortage of water in southern New Jersey. It has been a long time since an engineering study was made of the water resources of this part of the State. Before any development is planned, this engineering study should be brought up-to-date. If you use the water, as is proposed, from either the Mullica or Wading River, that water is brown cedar water, and there has been no method up to the present time by which you can filter out that brown water. At the same time, those reservoirs would be shallow, which would decrease the desirability of the water in the summertime.

We have in there a vast supply of ground water that has not been tapped, and there has been a statement made by a recognized authority that one billion gallons of water a day can be taken out

of South Jersey by wells - a fair superior quality of water to that which can be taken out of reservoirs.

With this in mind, I think you should leave it to an expert engineering firm at this time to make an up-to-date study with regard to the water supply of South Jersey.

THE CHAIRMAN: Thank you, Mr. Palmer. The chair will now recognize Mr. Robert Zachary.

MR. ROBERT ZACHARY: Mr. Chairman, I want to present Mr. Clayton Conkright, our Industrial Manager, who will make a statement on behalf of the Public Service Electric and Gas Company.

MR. CLAYTON CRONKRIGHT: Mr. Chairman and Members of the Committee: The pending legislation that would implement the development of additional water supplies is of vital interest to our State and should be recognized as such by every one of our citizens.

We are all proud of the tremendous development that New Jersey has enjoyed during the last 25 to 30 years. It has brought with it, however, an increase of 40 per cent in the use of water in six North Jersey counties during ten years of that period. Now let us look at Southern New Jersey. The 800-foot wells of Atlantic City when first drilled were artesian flowing to a height of 14 feet above sea level. Now the static level of water is about 70 feet below sea level.

The lowering of the level of the underground water table is a dramatic demonstration of the need for the development of additional surface water resources.

We in Public Service are accustomed to the long-range planning that is required to be in a position to supply adequate, essential utility services to a growing New Jersey. Certainly there is no utility service more essential than water. The development of new supplies takes time. For instance, the Wanaque project was started in 1920, but it was not put into service until 1930. Public Service's program for industrial development in our State has brought us into intimate contact with the needs of manufacturing industry.

When we discuss the needs of industry, we are discussing the needs of that portion of New Jersey's economy that provides some sixty per cent of the basic or wealth producing payrolls. It is through this type of support that our people are able to enjoy one of the highest standards of living in the nation.

In the servicing of our five-year old national advertising program to attract industry, we have found that in many instances an adequate supply of water is a "must" for the manufacturer. For instance, an advertisement in the WALL STREET JOURNAL of May 12, 1954, for "The Middle South", an area that is competitive for New Jersey's industry, quotes Mr. Kenneth C. Towe, President, American Cyanamid Company, as saying "Unlimited fresh water was another must for Cyanamid." This Company has a very substantial investment in industrial plant in New Jersey. What, if anything, our limited water supplies had to do with Cyanamid's decision to select the Middle South as the site for its "biggest initial investment" I do not know.

If we in New Jersey are to take full advantage of our opportunities to hold our present industry and attract new, then we must promptly provide adequate water resources now and for the future.

I am sure that it is a great satisfaction to all of us that Governor Meyner and our State Legislators are taking the lead in seeking a solution to New Jersey's water supply problem.

Thank you.

THE CHAIRMAN: Thank you Mr. Cronkright. The Chair will now recognize Mayor Leo P. Carlin of Newark.

MR. JOSEPH A. WARD: Mr. Chairman, Mayor Carlin is not present today. The Water Engineer, Mr. Arthur J. Simpson, and Mr. J. E. Garratt, the Assistant Engineer, are here, and I am a Member of the Law Department.

The City of Newark, as you know and as most people know, has spent millions of dollars of the taxpayers' money developing our own water supply, and also have burdened the people of the City of Newark with considerable financing of the North Jersey District Water Supply and the Wanaque supply.

The North Jersey District Commission, as Mr. Leavitt of Elizabeth has stated, has been surveying the Round Valley project at the expense of the City of Newark and Elizabeth and some other municipalities. The Counsel for The North Jersey, Mr. Wilensky, has prepared a bill and has offered that to the Committee for consideration, and that bill is under consideration as I know, and he has projected there the approval of the municipalities who are members of the Wanaque Supply with the overall State financing of a new water supply. But we differ, perhaps, on the operation and control.

We are rather selfish, perhaps, in wanting to maintain the control and operation of the water supply in the upper part of New Jersey where the bulk of the population is and where the bulk of your tax money comes from. That bill, as prepared by Counsel for The North Jersey District Water Supply Commission, has the feature which we approve, that is, that the control, the development, and the operation of the Round Valley project would be under the direction of the North Jersey Commission. We rather feel we have provided facilities sufficiently capable of using that supply to come to Round Valley and are more capable to handle and distribute it among the municipalities in the northern section than through some other agency which would be established by the State Government.

We appreciate the situation of South Jersey and we certainly subscribe to all the efforts being made by this Committee to provide a supply for South Jersey and, from our experience, we suggest that you follow the suggestion made by North Jersey that the two supplies be developed separately, although the overall financial control would be vested in the State.

As to the matter of the need, there is no question about it, and in that effort our engineers have spoken of that and know better than I do. But I wish to object to any commission being appointed or provided for in the Legislature that will vest the power of control and operation in that commission which apparently contemplates not only control of Round Valley and the Wharton Tract's new supply, but would have a power, as I understand it, over all waters in the State and consequently would supersede, perhaps, the control of the water supply in the City of Newark, its own private water supply, and also the water supply of the Wanaque.

With that, Gentlemen, I wish to say that we approve the project of State financing with the right, of course, of State-controlled spending of the moneys, and to designate the development of the areas, but we do wholly subscribe and ask the Committee to give serious thought to the request that we have made that the supply be under the control and operation of The North Jersey District Water Supply Commission and that they, having the facilities and having made the surveys, have the know-how to do these things and it would be, in the long run, much cheaper with that supply of Round Valley being developed under the jurisdiction of The North Jersey District Commission.

THE CHAIRMAN: Thank you. I think your last remarks certainly concern one of the problems that we on the Committee are going to have. As a Member of the Committee, I appreciate your directing most of your remarks to the control and operation. How this will be operated and controlled I think is a vital problem and I might suggest to some of the other speakers that it would be helpful to the Committee if you would address yourselves to that phase of it.

The Chair will now recognize Mr. Harold Ohland.

MR. HAROLD OHLAND: Mr. Chairman and Members of the Committee -

THE CHAIRMAN: Will you state your occupation, please?

MR. OHLAND: I am Chief Engineer of the Jersey City Water Supply System.

THE CHAIRMAN: Thank you.

MR. OHLAND: The speakers who have preceded me have gone into great detail explaining the urgent need and necessity for the development of intra-state water supply projects. Expressing my own personal opinion, I fully subscribe to the development of the Round Valley project and of the Wharton Tract in South Jersey. I would like to reserve any comment that I might make until after a definite plan has been established as to how these two projects will be handled. Thank you.

THE CHAIRMAN: Thank you.

The Chair will recognize Professor F. W. Bauder, Newark College of Engineering. Is Professor Bauder present?

PROFESSOR F. W. BAUDER: I am present as Chairman of the Water Supply Committee and Welfare Sanitation of Essex County.

We of the Committee highly recommend the Round Valley project. At the present time we have found, after investigating, that the water supply in Newark is just about at the breaking point, sometimes, even in the summer time, it goes over. I heartily agree with and confirm the statement of Mr. Orchard and the others who have spoken before me that we again highly recommend the Round Valley project. Thank you.

THE CHAIRMAN: Thank you, sir. The Chair now recognizes Mr. William P. Furrey, Chairman of the North Jersey District Water Supply Commission.

MR. WILLIAM P. FURREY: Mr. Chairman, Members of the Judiciary Committee and Ladies and Gentlemen: We are here today to discuss proposed legislation pertaining to the water supply problem in this State. The North Jersey District Water Supply Commission, of which I am Chairman, is supporting Assembly Bills numbers 424 and 425, with several amendments which will be offered here today.

We have been informed that Assembly Bills numbers 368 and 369, introduced by Assemblyman Bowkley, have been considerably revised, and will be considered or referred to as "compromise" bills. I should like to make it clear that those bills are not compromise bills, but are revised bills which incorporate most of the good features of Bills 424 and 425, except that a new State water board is superimposed upon existing agencies.

We believe that such a new board is unnecessary and unworkable. An extensive survey by our Chief Engineer discloses that not a single state in the Union is in the water business. It is a common practice, however, to find district commissions, such as ours, operating with state aid.

The North Jersey District Water Supply Commission operates under the District Act, passed in 1916. This act provides, upon petition of one or more municipalities, to investigate available water supplies and to construct and operate them for the benefit of those municipalities, who finance the cost of construction and operation. There is no provision for direct sale to privately owned public water systems.

The only large developments in our district since 1930 were those sponsored by The North Jersey Commission; namely, the Wanaque-Ramapo projects.

As early as 1945, the North Jersey Commission advocated the Round Valley project, to meet the needs of its entire district, and to accommodate all towns and cities which felt they wanted to cooperate in its construction.

As a result of the Commission's efforts, in 1953 three municipalities; namely, Newark, Elizabeth, and Hillside, agreed to furnish \$25,000.00 for a more detailed study and the preparation of plans for such a project. These studies and estimates are approximately two-thirds completed.

Applicants have indicated their prospective needs at approximately 25 to 30 million gallons per day. The first stage of the Round Valley project will be the most expensive, and, since it is estimated to yield approximately 50 million gallons a day, it is self-evident that the project could not be completed except with the financial cooperation of additional municipalities or temporary State aid.

The North Jersey Commission's powers are limited by law. We cannot issue our own bonds. We are compelled to wait upon the approval and financing by municipalities that desire to purchase an interest in the project.

I should like, at this point, to tell you briefly the method of operation in North Jersey.

There are 33 independent water systems in the district, with an approximate total safe yield of 420 million gallons a day. Of this total, there are five principal systems: The Wanaque-Ramapo project, operated by The North Jersey Commission, produces 110 million gallons

a day; the City of Newark, 60 million gallons a day; Passaic Valley Water Commission, 60 million gallons a day; Hackensack Water Company, 45 million gallons a day; and the City of Jersey City, 65 million gallons a day.

These five principal systems, which are interconnected, have a total safe dependable yield of 340 million gallons a day, out of the entire North Jersey safe dependable yield of approximately 420 million gallons a day, with a daily consumption of approximately 418 million gallons a day.

Through interconnections, direct and indirect, these five systems have cooperated to meet the water demands in Northern New Jersey. The engineers in charge of the five principal systems have cooperated with the Commission in meeting the demands in North Jersey, within the limits of their facilities, and have successfully supplied this area up to the present time.

All of these five systems obtain and store their water in the Northern and Northeasterly section of the State, and all of the transmission mains therefore carry the water in a general southerly or southeasterly direction. The Round Valley project, proposed by the North Jersey Commission, will be located in the central western part of the State, in Hunterdon County, and would supply water from this source in a general easterly, northeasterly, and southerly direction.

It is proposed that the transmission mains from Round Valley would interconnect with the principal North Jersey transmission main at Elizabeth. This would represent a completely integrated system for the entire district, taking the shape of a horseshoe, which makes an

ideal water system, in the opinion of expert engineers. Demands could then be shifted from one reservoir to the other as conditions required.

To create a new state water board in our district would defeat the purpose of the original design of the Wanaque-Ramapo project. It could not be an integrating system. It would deprive certain cities and counties in the district from any benefits whatsoever.

It would necessitate a duplication of transmission lines to service other communities in the district.

If the Round Valley Reservoir is to be constructed for the benefit of the people in the district, no part of the district should be deprived of water in case of need.

The construction and management of Round Valley by another agency would only cause confusion, and entail additional unnecessary expense. Two agencies, each seeking to supply municipalities in various parts of Northern New Jersey, and using available transmission lines, would be at cross purposes.

Principally, Assembly Bills 424 and 425, supported by The North Jersey Commission, provide: 1 - A bond issue of 150 million dollars for North and South Jersey, which will be self-liquidating; 2 - The activation of the South Jersey District Water Supply Commission; 3 - The only means for the proper coordination of the proposed systems with the existing systems, and service to all; and 4 - They eliminate the necessity for any new State agency.

Briefly, there is no problem with respect to the availability of water sources. There is no problem in obtaining the services of an available agency. The North Jersey Commission has had 30 years'

experience in planning, construction, and operation, for which there is no substitute.

The North Jersey Commission is the only agency in the State that has a complete plan for the immediate development of Round Valley.

What we need are fewer, not more, agencies. The question you must determine, in my opinion, is whether there are available qualified agencies to do this important work, and, if there are, why they should not be utilized.

The water supply problem in North Jersey does not suffer from a lack of agencies; it suffers only from a lack of financing. If that financial problem is removed by the action of your Honorable Body, and if Assembly Bills 424 and 425 are passed by the Legislature and the people vote for the referendum, together you will have removed the only road block to the consummation of a comprehensive water plan for the State of New Jersey for many years to come. Thank you.

THE CHAIRMAN: The Chair will now recognize Mr. John Flanigan, also a Commissioner of the North Jersey District Water Supply Commission.

MR. JOHN FLANIGAN: Mr. Chairman, Members of the Judiciary Committee and the other Committee sitting, Ladies and Gentlemen: I am a Commissioner of the North Jersey District Water Supply. I have been for the past seven years. It has been my good fortune to work with that bi-partisan Commission during those years and they have been very productive years.

What Commissioner Furrey has told you, I as a Commissioner will not reiterate, but I could reiterate the arguments and remarks that have been made by our Chairman.

The North Jersey District Water Supply is composed and has jurisdiction over the counties north of Trenton, north of Mercer draw a line through Middlesex, through the southerly boundary of Monmouth, over to the New York State line, and there you have the territory which is serviced by the North Jersey District Water Supply.

You have been told that the Commission has been in vogue and activated for a great many years. Now you have in the southern part of the State the same machinery. The same machinery as the North Jersey District Water Supply is available to the people south of Trenton. All that needs to be done is for the Governor to act or the Legislature to act - and I believe it is within the province of the Governor - to activate South Jersey. Then the question of water supply south of Trenton can be very well developed.

It has been said here today that perhaps you are not ready for the Wharton Tract, but you certainly are ready, in view of what the speakers have said here today, for a study of the South Jersey situation. You have that machinery available now. You don't need any new laws.

So far as the Lake Region is concerned, since I have been on the Commission we have met with Morris County and the other counties in the Lake Region during that period and as far as I know we have had no trouble, no confusion, and I am sure, with the amendments which will be offered to this Bill, that the Lakeland Regions of New Jersey have nothing to fear from the North Jersey District bills. Those bills are numbers 424 and 425.

Now, we want water. We are on the way to getting water. We are spending \$25,000 of moneys of private citizens - at least the taxpayers of this State, not the general taxpayers' money. We have been

studying this program since 1945. We have reached the point where we are about to make our survey report. We have consulted from the legal angle, the bonding angle, the physical angle, we have had borings, we have surveyed practically every feature, and I guess it cannot be said that all the features of other bills, which are vital to an operation such as this, are found within the study of the North Jersey District Water Supply Commission since 1945 to date. So, if we want water, let's get down to business. The North Jersey District has a hold. All we need is a little money.

We feel, naturally, that the State and the Legislature and the Governor, or whoever else may be designated, should have control of the money and see that it is spent in the right direction; and we have no quarrel with that. There should be other stopgaps. There should be stopgaps from the standpoint of a person dealing with the Commission on the water rates. We are not saying our word should be final. We think we should have some supervision there and there are other stopgaps which should be invoked. We are on our way. Why stop us? We have demonstrated that we can build and operate. All we ask is an opportunity to continue to do so, which brings me to a very vital point, as I see it, in this whole discussion. Who shall have control of this situation? I would not be honest with myself if I didn't say to you, Mr. Chairman and Members of the Committee, that you cannot have a divided agency. You have got to go down the line with it. Take the stopgaps, such as I have suggested and that will be suggested here today, but control is important. You can't build a building and operate it with three or four different bosses. We feel that we have demonstrated that we can construct; we feel we have demonstrated that we can operate. All we ask is the chance. Thank you.

MR. CHAIRMAN: The Chair will recognize Mr. Harry L. Schoen, also a member of the North Jersey District Water Supply Commission.

MR. HARRY L. SCHOEN: Mr. Chairman, Members of the Committee, Ladies and Gentlemen: As a Member of the North Jersey District Water Supply Commission naturally I am very much concerned with the needs of North Jersey. The needs are there. However, I don't think it is necessary to speak along those lines at this time because everyone who has spoken so far has expressed the need for more water in the State of New Jersey, both in the northern district and in the southern district.

Some years ago, if you recall, the State of New Jersey contemplated a four-state agency made up of New York, New Jersey, Pennsylvania and Delaware. Unfortunately all the states did not agree and as a result the State of New Jersey spent a lot of money for plans and programs and it stopped right there. This was the so-called Incodel Plan which, if completed, would have given the State of New Jersey 225,000,000 gallons daily at an approximate cost of \$225,000,000.

Now, we in turn proposed the Round Valley. That is our proposal. That is the proposal that we are working on and have been working on for some time. If the Round Valley goes to a conclusion we will be able to furnish the State of New Jersey 200,000,000 gallons at an approximate cost of \$75,000,000, or one-quarter the cost of the proposed Incodel Project. And I think it is significant for me to say at this time, speaking for myself and I believe for the Commission, that I do not believe in nor recommend these super-duper projects.

If you recall, and I don't believe there are many here who do, in 1940, when Governor Edison was Governor of this State, he had a survey made by independent outside consultants as to the problems concerning the State of New Jersey insofar as water is concerned, and I have here a part of the report and, if I may, I will read it to you: "These and other difficulties make it essential that any proposed legislation of this character be reviewed by experts not addicted to wishful thinking. * * * For a long-range program the possibility of the use of State credit, in a manner similar to that employed in the Boston Metropolitan District, might well be explored. * * * * We need less water-supply agencies, not an addition to the present number. Administration of the State's water resources should not be combined in one agency with the construction and operation of water supplies. This places too much power in one agency. The rights and interests of the municipalities, their citizens and water customers must be protected. Revenue bond financing would probably cause increased water rates to consumers. The water supplies of North Jersey could probably be administered more economically by a single agency."

What was said at that time, Ladies and Gentlemen, I believe applies today. The North Jersey District Water Supply Commission, by virtue of its experience in the actual construction and operation of systems, appears to be better qualified to assume this task of operating the Round Valley system for the State of New Jersey than any other agency presently in existence or contemplated. The advanced progress that we have made, because we are two-thirds through with our survey on Round Valley, would only be duplicated by the bills of Assemblyman Bowkley or the proposed revisions. It seems strange,

Ladies and Gentlemen, that the same persons or group that prepared the bills for the 1953 Legislature in its closing days, in which the North Jersey District Water Supply Commission was the constructing and operating agency, have suddenly eliminated this Commission from their consideration and have advised this unworkable and illogical plan, without offering any reason for the change in their thinking. The Commission, until recently, did not propose any legislation, they were too busy working on the proposed Round Valley project.

Now, the Commission believes that the program for the development of the Round Valley system and the Wharton System should provide the State with additional supplies capable of yielding at least 500,000,000 gallons daily to supplement the 570,000,000 gallons a day which the entire State is using at the present time.

Now, if you will permit, I would like to propose at this time the recommendations of the Commission:

1. That the Division of Water Policy and Supply and its Counsel be retained to perform its present functions.

2. That a bond issue be submitted to the people for a sum sufficient to provide funds for the Round Valley system and the Wharton system.

3. That the District Water Act, under which the Commission operates, should be amended to activate the South Jersey District Water Supply Commission by the Governor.

4. That the District Commissions be authorized to act as the constructing and operating agency and as trustee and manager of the proposed systems with the State substituted as the initial owner, rather than the municipalities.

5. That the District Commissions be authorized to sell the water so developed on behalf of the State to any municipality, privately owned public utility, or industry, at fair and equitable rates, and that all water rates or contracts relating to these two projects shall be subject to review by the Commissioner of the Department of Conservation and Economic Development.

6. That the District Commissions return to the State all proceeds from water sales from the new projects, except that required for operation, maintenance and administration, and for minor construction, such as additional transmission mains, as may be required from time to time.

7. That the systems, such as the Round Valley system and the Wharton system, be carried as separate and distinct systems financially on the books of the respective District Commissions.

8. That the District Commissions shall have the power to coordinate the water resources within their respective areas and shall have authority to arrange for the interchange of water from various systems, so that no part of a District shall suffer from any shortage or the necessity of erecting duplicate transmission mains.

9. That the District Commission shall obtain their funds, derived from the bond issue, for the construction and operation of such of their respective projects, after approval by a State committee, similar to the State House Commission, consisting of the Governor, the State Treasurer, the Commissioner of the Department of Conservation and Economic Development, the President of the Senate and the Speaker of the House.

10. That the application for a grant to construct either of the projects be subject to the control of the State Water Policy and Supply Council and the Commissioner of the Department of Conservation and Economic Development.

11. That the lake regions and the presently existing municipal and private water supply systems be amply protected against any encroachment upon their rights and functions.

12. That reasonable recreational use be permitted in any such proposed projects.

13. That municipalities be reimbursed for any tax losses.

14. That South Jersey District Water Supply Commission shall plan for the development of water supplies for South Jersey.

15. That any program adopted shall be completely self-liquidating.

It is the hope of the Commission, and I believe the opinion of most municipalities in northern New Jersey from whom we have had some expression of opinion, and from the privately owned utility systems, that the Legislature should adopt Assembly Bills numbers 424 and 425, with the amendments which will be proposed and explained by Mr. Wilensky, our Counsel.

Under the program outlined in the bills introduced by Assemblyman Barnes of Essex, Assemblyman Junda of Passaic, and Assemblyman Thompson of Mercer, you gentlemen have before you an opportunity to perform a great public service. The people of the State ultimately will pass upon the bond issue and give their approval or disapproval of the program, but the mechanics of the legislation and the program must be developed by the Legislature.

You will, however, detract in the public mind from your desire to perform your important function if you should permit the use of this emergency as an opportunity for creating another layer of water government under the guise of State aid.

Ladies and Gentlemen, as a former member of this Legislature, I have the fullest confidence in your ultimate judgment. Thank you.

THE CHAIRMAN: Thank you for your very excellent presentation. The Chair will now recognize Mr. Charles Capen, Chief Engineer, North Jersey District Water Supply Commission.

MR. CHARLES CAPEN: Mr. Speaker, Members of the Committee, Ladies and Gentlemen: The need for more water in the northeastern part of New Jersey is not imaginary nor is it wishful thinking on the part of those in the industry. It is a cold stark reality. The chart before you illustrates vividly the fact that usage has already passed the safe yield and that any prolonged dry spell will, as it has several times in the past, merely serve to accentuate the conditions.

The principal point to be illustrated here is the plan for meeting this situation. Practically all of the plans for additional water supply in the last three or four decades have envisioned utilizing water from the drainage basin of the Raritan River. The present study of Round Valley contemplates the diversion of water from the South Branch of the Raritan River.

At first the plan consisted in intercepting the South Branch at Hoffmans and carrying the surplus waters through a pipe line or tunnel to Round Valley. The second stage contemplated taking water from the Musconetcong River at Saxton Falls and carrying it through a pipe line and tunnel to the South Branch from which it would

eventually flow into the conduit leading to Round Valley.

Studies of bringing water in from the Delaware River to this area showed that the most economical route was one at a considerable distance downstream from any site chosen in the past. Recent field trips and subsequent engineering estimates have verified the belief that a pumping station just above Frenchtown would provide the shortest and most economical route to Round Valley. There also became apparent at the same time the possibility of combining this route with a diversion point on the South Branch that had been well known and had been studied but had not been formally suggested because of the original belief that the gravity flow would be preferable.

In addition, recent experiences with pumping from the Ramapo River into Wanaque Reservoir have shown the practicability of such efforts even though they have not been in favor as much in the eastern part of the United States as in the west.

The net result is that there is being unfolded now, for the first time, the ultimate plan to develop Round Valley as a reservoir whereby all water delivered to the reservoir would be pumped. It is possible to obtain about 70 million gallons daily from the South Branch by this method. All additional water would be directly from the Delaware River. The first stage is planned for 50 million gallons daily. The final stage can be any quantity up to approximately 130 million gallons per day from the Delaware River.

Cost estimates show that not only is this method much less expensive in initial capital cost than that of obtaining water by gravity from the South Branch, but also the capital cost of this

pipe line, plus the capitalized cost of pumping, is still in favor of this method. Additional moneys will also be saved if the demand does not equal the full capacity of the system because the pumping can be regulated to suit such demands.

This plan was not devised solely for the purpose of removing the objections of the lakeland people, but it happens to be of such a nature that there can be no logical justification for the claims commonly made by those in Morris County who attempt to block any move for additional water supply.

One of the arguments used by opponents of a water supply is that it will destroy lakeland properties. Nothing could be further removed from the truth. An illustration is that since the Wanaque Reservoir was placed in operation there have been a whole series of lake developments in the watershed of the Wanaque Reservoir, some formed for the first time and some as expansions of former similar developments. These include Erskine Lake, Cupsaw Lake, Upper Lake, Lindy's Lake, and numerous others. In addition, Greenwood Lake, the largest on the watershed, has never enjoyed better control of its water level than has existed in the last 25 years.

The North Jersey District Water Supply Commission has no power to control the level in any of these lakes, and has no desire to interfere with them. To the contrary, many of these lake sites use as an advertisement the fact that the beautiful scenery around Wanaque Reservoir will never be disturbed. In fact, many sales of properties include much higher prices and values because of their proximity to the beautiful scenery around the Reservoir.

At the present time Wanaque Reservoir contains about 85 per cent of its total storage. Nearly half of this has come from the Ramapo River. If it were not for the restrictions imposed by the State Water Policy and Supply Council the pumps at Ramapo, which were shut down last Friday afternoon by virtue of the mandate of the State grant, would now be delivering water to Wanaque Reservoir at the rate of 107 million gallons a day. At the present time there are several hundred million gallons per day of water running to waste over the Pompton Lakes spillway, at which point the pumping station is located, and flowing downstream simply to make a more glorified Atlantic Ocean.

I would like to talk to you a little bit about the practical operation of water works. Last Friday afternoon at 1 o'clock I visited Great Notch Pumping Station, which we were forced against our remonstrances to operate. It was built by the State, not built by us. This operation costs about \$300 per day and delivers the magnificent quantity of 8 million gallons per day. We need ten or more times that, at least. That water is costing us about \$40.00 per million gallons. The same afternoon, at three-fifteen, I witnessed the shutdown of our Ramapo Pumping Station, which we were forced by State mandate to shut down because we had used up our entire quota for 1954. We can't turn it on again until January 1, 1955. We shut down at 3:15 Friday afternoon, having used 923.3 million gallons. We are only allowed to take 925 million gallons. We missed by 1.7. We couldn't figure any closer. That water cost us \$7.00 per million gallons to pump it. A hundred million gallons is flowing over that

dam today but we can't take it. We are forced to pay \$40.00 per million gallons as against \$7.00 per million gallon. Is that good judgment? That is what we are up against from an operating standpoint.

Did you ever face a ghost? This so-called fight in Morris County is facing a ghost. One of the gentlemen who is going around Morris County yelling loud and long about these water grabs and water snakes - he has called me that many times - says that they are going to take the lakeland regions. In 1938 I sat in a courtroom with that same gentleman and he testified in favor of having the Federal Government take Lake Denmark. I testified against it.

Last year the Federal Government proposed to extend its holdings to take in the lower end of Green Pond, the largest natural lake in the State of New Jersey. It has a dam about 2 feet high which merely controls the level of the Lake. That is a vital point. If you remove that you remove everything. The Federal Government made a move to take that. Did the people of Morris County make a move against it? No.

I happen to have been a resident of Green Pond for the last 42 years and I am Secretary of a corporation which owns the lower portion of the lake and controls the dam. The President of the corporation and myself went to Washington and remonstrated against this taking and eventually, after many conferences and discussions, we reached an agreement with the Federal Government. But the people in Morris County didn't move into it in spite of the fact that it would have removed millions of dollars in ratables from the tax

structure. They were silent as the graveyard.

In closing it may be said that the best term that can be applied to such opposition is the use of the word - "Balderdash" - which the dictionary defines as a meaningless assemblage of pretentious words.

THE CHAIRMAN: Thank you, Mr. Capen.

THE CHAIRMAN: The chair recognizes Oscar Wilensky, former Senator from Passaic County, and counsel for the North Jersey District Water Supply Commission.

MR. OSCAR WILENSKY: Mr. Chairman, members of the Senate and Assembly, and interested persons here today: I have been in the water field for about 16 years. When I was in the Legislature, I was chairman of several water committees and was a member of every water committee they had here, and some of it was through the good graces of my former colleague who is here today, Senator Farley.

We have given a great deal of study and consideration to this legislation, and I am going to offer some amendments that I believe will be of great interest to the people of the lake regions. These amendments were made possible from studies conducted by our Commission, with a double desire: The first is to obtain the most economical supply of water, and the other is to try to relieve many people of their fears. The water supply problems have been plagued both by fears and finances, but I believe today we can relieve many persons here today of those fears. I will give the amendments in their order and then discuss the bills in a general way.

I have one amendment which is to amend the title from a technical standpoint, in order to activate the South Jersey District Water Supply Commission. That is a proposed amendment to Assembly Bill 424. I have the amendment proper which amends paragraph 4 so that the South Jersey Commission would be immediately activated within 30 days after passage of this bill and would be in existence whether or not the bond issue passes.

The North Jersey realizes that South Jersey should have an agency similar to it, which should plan and develop, whether through municipal financing or through state financing, and in all fairness to South Jersey, they are an important part of our State and should not be overlooked.

The third amendment which I have is an amendment which amends paragraph 8 and redefines the Wharton Water Supply System, as prepared by Assemblyman Glenn, Senator Farley and others, who are much more familiar with the South Jersey problem than I, myself. This, I will read:

"The Wharton Water Supply System may be from subterranean water sources, or may consist of a storage reservoir and diversion structures on the Mullica River watershed to be located north of Pleasant Mills and Batsto with the flow line elevation not to exceed thirty feet above mean sea level; also of an intake reservoir and diversion structure on the Wading River to be located near Harrisville with the flow line elevation not to exceed twenty feet above mean sea level. If any such reservoir and diversion structures are located on either the Mullica or Wading Rivers or branches thereof for the purpose of taking water from such rivers, the normal flow of water into and through such rivers, or branches thereof shall be maintained and not decreased by any such diversion or taking."

We understand that the purpose of those amendments was to assure the people interested in conversion of water of South Jersey as to the limitation and size of the reservoirs so they will know what developments will take place in a general way.

The next amendment which we propose relates to Round Valley, and I will read the whole paragraph, because all of it should be considered together.

"6. The Commission shall acquire, develop and construct the Round Valley water supply system in stages, as and when in the judgment of the Commission the consumption and demand for water in the North Jersey water supply district shall require. The first stage shall include the construction of a reservoir for the storage of water at Round Valley in the county of Hunterdon, together with such additional facilities as may be necessary for the purification, storage and transmission of such waters. The Commission may construct a conduit or conduits for the carrying of water from the South Branch of the Raritan River to the reservoir at Round Valley, and any transmission mains for the carrying of the water from the reservoir at Round Valley to any area in the North Jersey water supply district, as and when in the judgment of the Commission the consumption and demand for water in such area shall require. Additional stages may include the construction of diversion tunnels, conduits or aqueducts from the Delaware River, including pumping stations and other facilities which may be necessary for the carrying of water from such source to and into the Round Valley Reservoir. The Commission shall not have the right of condemnation or eminent domain for any water rights or lakes or property in the watershed of any of the tributaries of the Delaware River."

You will notice that we have eliminated in the amendment the words "or tributaries thereof."

"All public lands or public property in the watershed of any of the tributaries of the Delaware River above the points of diversion shall not be conveyed to or impaired by the Commission."

Then there is provision for those cities that expended money for those surveys:

"The Commission shall repay to any municipality or municipalities all sums advanced by them for the study and planning of the Round Valley water supply system out of any funds received from the State."

The purpose of that amendment is naturally to indicate the change in the proposed plan of the Round Valley project so that the first stage will be from the South Branch of the Raritan River and the next stage will be directly from the main channel of the Delaware, so that the Musconetcong and all other tributaries of the Delaware, with

which I understand many people are concerned , cannot and will not be touched, either physically or practically. Neither will the Commission have the right to condemn any of those watersheds for any purpose whatsoever. They may supervise them for the next 40 or 50 years. We cannot say beyond that period, if waters are taken from the Delaware by the State of New Jersey, that it will not be compelled by the United States Supreme Court to erect compensating reservoirs in North Jersey, but until that time is reached, we feel that the people are entitled to have this assurance. The problem of the construction of compensating reservoirs can be dealt with when the question comes before the United States Supreme Court or through some agreement with the State of Pennsylvania in the future.

It seems that our first and immediate problem is to get something done to provide additional waters.

I was privileged to serve as one of the special counsel for the State of New Jersey in the suit in the United States Supreme Court regarding the allocation of those waters, and I might say that in every water problem there are many, many fears that are based upon the uncertainty of the future. We cannot resolve in one fell swoop by one piece of legislation all the problems that will arise in the future. Because the growth of the State is gradual, we must feel our way in these water problems. We must first be concerned with obtaining 70 million gallons daily from the South Branch of the Raritan River. We will then have an opportunity to take from certain portions of the Delaware River without compensation, as a result of the efforts both of the last administration and of this administration.

Attorney General Richman has given us a great deal of cooperation and help at arriving at this settlement between the three states. Under the decree, the State of New Jersey will have the right to take 100 million gallons a day from the Delaware River without the obligation and expense of building reservoirs to compensate the river, such as New York is now being compelled to do. That will tide us over a period of time. Northern New Jersey does not happen to be as fortunate as Southern New Jersey in having large available water supplies for its needs. In South Jersey the State has acted wisely and with great foresight in obtaining a substantial portion of the Harton tract, and that, it is estimated, will produce between two hundred and three hundred million gallons a day. That, too, can be done in stages. Serious study should be given to the details of the plan to meet the needs of South Jersey. In North Jersey most of the principal streams that flow into the Atlantic Ocean have been absorbed and they are being used for our present water supply. One of the principal streams is the South Branch of the Raritan. When we are through with that stream, we must of necessity go to the Delaware or its tributaries. For the present, it is satisfactory, so far as I am concerned and the engineers and the Commissioners are concerned that we go to the Delaware River directly for our water supply and thus preserve our lake regions.

I might say for our engineers that the plan to take from the Musconetcong amply protected those lake regions, but there is some doubt, and rather than dispute or try to convince those people that there would be no damage - because we don't get the water until after they have used it in the lakes - and since there is an alternate plan, I see no

reason why this Legislature should not give those people consideration in these amendments.

Now Assembly Bill 425 was introduced for 100 million dollars on the basis that originally it was anticipated that North Jersey would require 75 million, and without knowing the details regarding South Jersey, 25 million dollars was inserted in there. As additional conferences were held and additional information was acquired, everyone agreed that a tentative amount of seventy-five million should be authorized by the people immediately, a sum equitable to that for North Jersey. Now, any bond issue, of course, is going to cost money.

The original bills introduced by Mr. Bowkley were a direct obligation of the State, which would have placed the financing deficit upon the state budget. It is our thought that any water users should pay for the full cost of the water and that no part of the State should subsidize another part of the State for their water needs. With that thought in mind, we framed a bond bill, which was prepared by Hawkins, Delafield and Wood. Mr. Donahue is here representing that firm. They have acted for the State and many municipalities on many occasions, and we find that by the drafting of this Assembly Bill 425 and with the amendments raising it to \$150,000,000, the State of New Jersey will be able to receive the lowest bond interest rate possible, because, first, the net revenues from these projects are pledged, and, second, the corporate franchise tax is pledged. Naturally, as in any bond bill, all revenues of the State of New Jersey must be pledged. We have deliberate^{ly} made this bond issue for more than the actual cost of the project. As indicated by Senator Lance here today, we don't want any

burden to be on the State. So there is ample power in these bond issues for the issuance of bonds and the payment of interest during the course of construction, which is essential, and the losses that may occur in the early stages of any project. We have tried to cover the points that Senator Lance has pointed out by this authorization. We thought that the Assembly Bill introduced by Mr. Bowkley was unworkable because there was a provision that no interest could be paid exceeding 3 per cent and no bond could be sold below par. Under the circumstances, over a period of years, as the bonds have to be developed, the bond issue referendum of the people would have been worthless. We have tried to anticipate the future of interest rates, because they will have a great effect on any project, and we have a flexible method permitting the State to sell bonds below par. But the important thing in this bond bill, which I think the members of the Legislature and the people should know, is that it is based upon, as all good government is based upon, checks and balances. No authority or agency should have complete, sole, and exclusive right. We have had a couple of those agencies and, in my opinion, they have proven to be unpopular because of the complete and absolute authority placed in one agency.

Under those circumstances, we felt those bond moneys should not be advanced to the North Jersey and the South Jersey District Commission unless the Governor and his associates, his cabinet, and the principal officers of the Legislature have something to say about when and how the moneys should be expended. These moneys, if the bond issue is approved by the people, are State moneys, and the highest officials of the State,

the Legislature, and the Executive Branch should determine when and how those moneys should be spent.

The North Jersey is constituted by law as a public trustee and agency and it acts for these municipalities, and these bills propose that it act for the State just as it does for the municipalities. They have rights given under the law and by agreement which give them an opportunity to be heard as to how their money should be spent. We think the same thing should be true of the State, and we do not think that any amount of money such as \$150,000,000 should be allocated to a three-man board, as has been proposed, with absolute authority to spend it as and when they feel and how they feel they should spend it. We think that any reasonable system of checks and balances is practical.

Now, bills have been introduced by persons in the last sessions of the Legislature that have activated these discussions, and they should be given credit for doing so. The North Jersey bills provide that no diversion of water shall be made without approval of the State Water Policy and Supply Council. For those who do not know, that is an agency of nine people, appointed by the Governor, who are custodians and guardians of the State's water. They hold hearings before anyone can take any water from any stream, and it is their duty to meet the needs of the people and at the same time preserve the streams for recreation and other necessary purposes. They have done so in the past, and these bills continue them so. They have these rights; they are the experts, and they should not be by-passed in these bills, and they are not by-passed, but it seems to us the revision of the Bowkley bill which in effect establishes the creation of a three-man board that would be supreme

over the construction, maintenance, operation and sale of potable and industrial water supplies in the State of New Jersey is too broad and too powerful for one group. We had amendments inserted in the various bills to carry out the interests of both private and public water companies in this State.

The private water companies serve a purpose. They have done a good job in many cases, but they would be unable to obtain the rights in this State to develop Round Valley. As you see, even a public agency has trouble getting those rights. They, too, serve our citizens. The present public water supply systems should be left intact to continue their duties and functions, and they, too, should be permitted to buy, and any industry or large user desiring to purchase should be permitted to purchase, but only after they have obtained the consent of the present water system that serves their area, so that there will be some plan of action and not a haphazard development of transmission lines.

All these things have been carefully considered and placed in these bills. They present a challenge to the people of New Jersey. Public officials, such as the Legislature, water officials and others can only do so much. The final result rests with the people at public referendum, and as one of the previous speakers representing our Commission indicated, it is the duty of the Governor and the Legislature to design the best and most economical means of developing these supplies. The proposal of revising the Bowkley bill to have a New Jersey State Water Board, with the Commissioner of Conservation and Economic Development having practically complete veto power, and a State Water

Policy Commission, composed of the Governor, the State Treasurer, the President of the Senate, and Speaker of the House, with the provisions that they may use the North Jersey District Water Supply Commission and the South Jersey Water Supply Commission, in my opinion, is nothing more than a conglomeration of agencies, and, as Jimmie Durante says, "Everybody wants to get in the act." It is unnecessary, and it seems to me a direct, simple approach is for the Governor and the Legislature to hold the purse strings. That is what the people expect.

The North Jersey Commission is a bi-partisan commission appointed by the Governor with the advice and consent of the Senate, and is a responsible state agency, and the South Jersey Commission, I will assure you, especially if Senator Farley has anything to say about it, will also have reputable people on it. Those people should plan these things and develop and operate them. These are separate and distinct. We are not trying to draw a Mason-Dixon line. It was drawn in 1916, and the needs of the State of New Jersey are still in the same position that they were in 1916. There are two communities of interest, with one principal objective, and that is to supply every area with water.

It seems to us the Legislature has this opportunity to take up the slack of financing that has been caused by the development of water supplies by large cities. They supply other municipalities, and because of the reluctance of these smaller municipalities to assume the burden, we cannot continue to delay the development of water supplies.

The State of New Jersey proved before the United States Supreme Court that North Jersey is using each year 13 million gallons a day more than the previous year, which means that North Jersey in ten years will

use 130 million gallons a day more than it did ten years ago, and as engineers have testified today, the yield of Northern New Jersey and the supply is about equal, so that something must be done and done immediately. Under those circumstances, if we want New Jersey to develop in its normal and regular way, if we are going to provide for 16 per cent increase in population as has been estimated by the United States Census Bureau for the years 1950-1960, and if we expect future growth beyond that, we must do something immediately and not be snarled up by miscellaneous bills which do not go to the heart but to the mechanics of the question.

I think the sponsors, Assemblyman Junda, Assemblyman Thompson, and Assemblyman Barnes, who brought to our attention their thought that they would like to have the lake regions satisfied, if possible, but not at the expense of the growth of the State of New Jersey, have done a service to the State in calling these matters to our attention. Fortunately, our engineers were able to prepare the modified plan, which we believe should answer those questions.

Thank you very much.

(The following amendments were submitted but not read by Mr. Wilensky)

AMENDMENT TO ASSEMBLY BILL NO. 424

Amend title to read as follows:

"An Act to provide for the increase of the water supplies of the State by the construction, operation and maintenance of two water supply systems, including reservoirs, to be acquired, in the name of the State, by commissions appointed or to be appointed pursuant to chapter five of Title 58 of the Revised Statutes, as agents for the State, and to be constructed, operated and maintained by such commissions on behalf of the State, and to provide for the acquisition, in the name of the State by such commissions as agents of the State,

of real property by condemnation, and of real and personal property by purchase or condemnation, and of real and personal property by purchase or condemnation or other means, for the construction, operation and maintenance of such water supply systems and to provide an additional method for the acquisition of real property by condemnation, and to give such commissions powers to sell and exchange water, fix rates and make contracts for the sale and exchange thereof, and powers to construct, operate, maintain and extend such water supply systems on behalf of the State, and to amend sections two, three and four of chapter five of Title 58 of the Revised Statutes."

AMENDMENT TO ASSEMBLY BILL NO. 424

Strike out paragraph 4, page 6, lines 13-18 inclusive, and in lieu thereof, insert the following:

"4. Section two of chapter five, Title 58 of the Revised Statutes is hereby amended to read as follows:

'There is hereby created the South Jersey District Water Supply Commission for the South Jersey water supply district, for the purpose of acquiring, developing, constructing and operating a water supply or a new or additional water supply for the use of any municipality or municipalities in the District and for any other purpose authorized by this act or any law. The North Jersey District Water Supply Commission, heretofore appointed under this Chapter, shall continue to exist and act with all powers, rights, duties and obligations heretofore conferred and imposed upon it, and for any other purposes authorized by this act or any law.'

Insert paragraph 4(a) after paragraph 4, as follows:

"4(a). Section three of chapter five, Title 58 of the Revised Statutes is hereby amended to read as follows:

'Pursuant to the provisions of section two of this Chapter and within thirty days (thereafter) after the effective date of this amendment, the governor shall, by and with the advice and consent of the senate, appoint a South Jersey District Water Supply Commission. (consisting) Such Commission shall consist of five members who shall be residents of the water supply district which they represent and not more than three of whom shall be of the same political party. The commissioners first appointed shall hold office, one for one year, one for two years, one for three years and two for four years. Upon the expiration of the term of office of any commissioner, his successor shall be appointed by the governor, by and with the advice and consent of the senate, for a term of four years. Each commissioner shall hold his office until his successor has been appointed, and any vacancy in the membership of the commission shall be filled for the unexpired term only in the manner provided for an original appointment. If the senate is not in session at the time of making any such appointment, the governor may make an

ad interim appointment for a time extending only until such time as the senate shall convene.'

Insert paragraph 4 (b) after paragraph 4(a), as follows:

"4(b). Section four of chapter five, Title 58 of the Revised Statutes is hereby amended to read as follows:

'Each commissioner shall (receive a salary at the rate of fifteen hundred dollars per annum) serve without salary from the time of appointment until the execution of a contract for a water supply with any municipality or authorization from the State to proceed with the construction of a water supply, (which salary shall be accumulative and payable upon the execution of any such contract) and thereafter each commissioner shall receive a salary at the rate of five thousand dollars per annum payable monthly, except the chairman of the commission, chosen as hereinafter provided, who shall receive a salary at the rate of six thousand dollars per annum. Such salaries shall be charged as an expense of the development and operation of any such water supply (contracted for hereunder).'

AMENDMENT TO ASSEMBLY BILL No. 424

Strike out paragraph 27, page 23, and in lieu thereof, insert the following:

"27. Sections 4, 4(a) and 4(b) of this act shall take effect immediately. All other sections of this act shall take effect upon the adoption and approval of the public referendum authorized in an act entitled 'An Act authorizing the creation of a debt of the State of New Jersey by the issuance of bonds of the State in the sum of One Hundred Fifty Million dollars (\$150,000,000) to finance and pay the cost of acquisition of two water supply systems to be known as the Round Valley Water Supply System and the Wharton Water Supply System, to be acquired in the name of the State by commissions appointed or to be appointed pursuant to chapter five of Title 58 of the Revised Statutes, as agents for the State, and constructed, operated and maintained on behalf of the State by said commissions, for the purpose of increasing the water supplies of the State, and to finance all costs of putting said water supply systems fully in operation, and providing the ways and means to pay the interest of said debt and also to pay and discharge the principal thereof; and establishing a water bond committee, and providing for the submission of this act to the people at a general election.'"

AMENDMENT TO ASSEMBLY BILL NO. 425

Amend title to read as follows:

"An Act authorizing the creation of a debt of the State of New Jersey, by the issuance of bonds of the State in the sum of One Hundred Fifty Million dollars (\$150,000,000) to finance and pay the cost of acquisition of two water supply systems to be known as the Round Valley Water Supply System and the Wharton Water Supply System, to be acquired in the name of the State by commissions appointed or to be appointed pursuant to chapter five of Title 58 of the Revised Statutes, as agents for the State, and constructed, operated and maintained on behalf of the State by said commissions, for the purpose of increasing the water supplies of the State, and to finance all costs of putting said water supply systems fully in operation, and providing the ways and means to pay the interest of said debt and also to pay and discharge the principal thereof; and establishing a water bond committee, and providing for the submission of this act to the people at a general election."

AMENDMENT TO ASSEMBLY BILL NO. 425

Amend paragraph 5, page 5, to read as follows:

"5. Bonds of the State of New Jersey in the sum of /\$100,000,000/ one hundred fifty million dollars (\$150,000,000) are hereby authorized to be issued to finance and pay the costs of two water supply systems to be known as the Round Valley Water Supply System and the Wharton Water Supply System, to be acquired by commissions appointed, or to be appointed, pursuant to chapter five of Title 58 of the Revised Statutes, as agents for the State, and to be constructed, operated and maintained on behalf of the State by such commissions for the purpose of increasing the water supplies of the State. Said bonds shall be serial bonds and known as 'North and South Jersey Water Supply Bonds' and, as to each series, the last installment thereof shall /subject to redemption prior to maturity/ mature and be paid not later than thirty-five years from the date of issuance of such series, but the bonds of each series may be issued in whole or in part for a shorter term."

THE CHAIRMAN: Thank you, Mr. Wilensky. Will you file the proposed amendments with the sponsors of the bills which you mention?

MR. WILENSKY: Yes, sir.

THE CHAIRMAN: Do any members of the Committee wish to ask Senator Wilensky any questions?

MR. BARNES: I have a question.

THE CHAIRMAN: Will you submit to a question, Mr. Wilensky?

MR. BARNES: Mr. Wilensky, as one of the sponsors of the bill, and I know the other sponsors agree in this, do we understand now, with this amendment, that there can be no possible misunderstanding that the Musconetcong and its tributaries are excluded? In other words, that the tributaries of the Delaware, thereby including the Musconetcong and its tributaries, are excluded from the project?

MR. WILENSKY: They are excluded from the physical and every other portion of the project.

THE CHAIRMAN: Are there any further questions by any members of the Committee? (No response).

I have been requested that, inasmuch as I have allowed the Commission as much time as it has received, I likewise extend the same privilege to the two previous speakers; namely, Dr. Nelson and Mr. Murray. Dr. Nelson, would you care to be heard?

DR. NELSON: Mr. Chairman and members of the Committee: Since Councilman Kenneth Murray took an active part in the preparation of the agreement to be effected between the states before the United States Supreme Court, with reference to the diversion of the River over to the State without compensation, I will leave it to him to explain that to you. I would like, however, to speak to the remarks of Chief Engineer

Charlie Capen, Chief Engineer of the North Jersey District Water Supply Commission, a man I count a very close friend of mine, and a man who over the years has helped our Council in many ways as Chairman of the joint operating board, recommending to us measures which were of extreme value to us during the last war, affecting the interchange of waters from one system to another. He has spoken here today of the fact that his Commission has been estopped from any further diversion out of the Ramapo until next year, and I would like to point out to you that this provision is one that was laid down by the Water Policy and Supply Council as a result of hearings which were conducted at the time this proposal was before us. I see many people up in the gallery, and I hope that among you are some who were present at those hearings. If you were, I am sure you will bear me out all the residents of the Valley were given full opportunity to be heard, and the restrictions which were laid down are final, and hereby is the protection of the lake regions.

Let me tell you what those provisions are: From the first of June until the end of September, no water whatsoever may be diverted out of the Ramapo lakes or Ramapo River, no matter how much is going over the spillway, for the remainder of the year. If there is at least 40 million gallons going over the spillway, then a maximum average of 100 million gallons daily over the month may be taken out, but there is, as Mr. Capen pointed out to you, a yearly limit, which, due to the fact that they were able to pump close to the maximum, they have now run out. He points out it is costing them \$40 per million gallons to transfer water from the Jersey City water supply at Great Notch pumping station,

as against \$7 per million gallons from the Ramapo points. That, ladies and gentlemen, represents the price of recreational water. That is what we must pay for our lack of vision in not supplying storage long ago. I feel that by the courageous stand taken by the Governor there should be removed most of the fear of the danger to the lake regions of this diversion.

Last December 2nd, through the kind invitation of Mr. Furrey, I attended the dedication of the Ramapo waterworks. Standing on the bridge, I took a beautiful Kodachrome of water coming over the south wall of the Ramapo before me. I went into the pumping station and read the gage. At the very moment I snapped a picture, they were diverting at the rate of 120 million gallons a day, yet you would not have dreamed it from the appearance of the water coming over the dam - yet we had a very dry fall. Then I went up on the diadem of the Wanaque Reservoir and took several pictures there, and the water level was down 40 feet below the spillway. Now there has been considerable improvement, and I say to you, as I did in the beginning, from now on, recreational and other uses of industrial and potable water supply in New Jersey must march hand in hand in the future.

Now Mr. Murray will tell you about the situation with respect to the tributaries of the Delaware River.

THE CHAIRMAN: Mr. Murray?

MR. KENNETH MURRAY: As one of the special counsel of the State of New Jersey in the Delaware diversion case, I would like to explain that there are 100 million gallons of water authorized to the State of New Jersey to be taken from the Delaware River without compensation releases. That is one hundred million. We are already using

over 40 million gallons through the Delaware and Raritan Canal. That leaves 60 million, if there are no further uses through the Delaware and Raritan Canal. I leave it to your own imagination as to how we are going to supply all of this water that is necessary for both the Canal and the reservoir without a compact with the State of Pennsylvania and the State of Delaware or without reopening the case before the United States Supreme Court.

I would like to take two minutes more on the two bills before you. We have heard a lot about checks and balances of one bill over the other. They are virtually the same. The same checks and balances are made on the spending by either the State Water Board or by the North Jersey District Commission. The State will spend the money. The State will own the land. Concerning the purchase of water by public water systems, municipalities, or by private corporations or persons, they are the same. Don't be misled on that. As far as the rest of the bills go, we believe that the bill providing for a State Board pulls the State together rather than dividing it at the center. That bill provides for a regulation between North and South Jersey as well as between the various water supplies. We feel that the water supply of the State should be one integrated system, not two separate operating systems. That is what has been attempted to be provided for.

THE CHAIRMAN: We will take a break at this point.

MR. GLENN: May I ask a question of Dr. Nelson?

THE CHAIRMAN: Will you submit to a question, Dr. Nelson?

MR. GLENN: Dr. Nelson, have any recent studies been made by the Council as to the danger of salt intrusion into the artesian water

supply of the shore areas?

DR. NELSON: Yes, very definitely. Mr. Henry C. Barksdale, who is our Consulting Hydrologist - half of his salary comes from the State and half from the Federal Government - has already published several very important papers. First of all, with reference to the Raritan River, because of overpumping the well field supplying DuPont, the National Lead Company, and the Hercules Company, in the area of Sayreville, was salted up and ruined, and, according to Mr. Barksdale, it will take a hundred years to wash that salt out of the reservoir. These three industries went across the River, built a dam, sank a group of new wells, at a cost of three-quarters of a million dollars, and created a new water supply to give them the 17 million gallons they needed a day.

Mr. Barksdale has also made a study of the Delaware Valley and the Atlantic City area, and his studies of the Atlantic City area bear very definitely upon the need for providing for additional water in southern New Jersey. As already pointed out here by Mr. Conkright, the original wells in the Atlantic City area flowed to a height of 14 feet above sea level. Now they are suddenly 4 feet below sea level, which means that in time the salt water will work up and will reach the Atlantic City water supply. Of course, with the adequate supply from the Wharton estate, it will be possible to meet that hazard.

I would very warmly second the recommendation of our Attorney General made at one of our recent meetings, that the important job for South Jersey is planning so that the course of the aquaduct be determined and the options be secured, in order that, if and when the worst happens, it will be possible to build the aquaduct at once. And finally in the

Delaware Valley, itself, where it has been pointed out by Mr. Willits and others this morning, there has been such tremendous development, we have always the danger of intrusion of salt seeping up into the waters, we should have a companion aqueduct going into the area so that we can continue to supply these industries with the water they will need.

THE CHAIRMAN: We will recess for one hour, and the members of the Legislature are invited by the Speaker to join him at luncheon in the Assembly diningroom.

AFTERNOON SESSION

THE CHAIRMAN: The meeting will please come to order.
Mr. Chair will recognize Mr. Silvio A. Lanza.

MR. SILVIO A. LANZA: Chairman Salsburg, distinguished members of the New Jersey State Legislature, Consultants and Engineers of the Department of Conservation and Economic Development, State Foresters, Members of the Office of Civilian Defense, other interested public servants and those affected directly by the proposed Round Valley Reservoir project:

It is with great humility that I come before so distinguished an assemblage to speak my little "piece" about this extremely important enterprise. Besides doing forestry work on my farm in Round Valley I earn my living as a teacher in the New York City School System. During the war years I was "loaned" to the Navy Department as a Research Physicist and continued on "loan" till after the end of the war to complete certain vital Navy projects after which time I cut short my leave from the school system on my own accord. My work in the school system is to set up a Science Curriculum for our public schools. I mention these facts to point out that my everyday life is "Science". I have studied Round Valley since 1925 and know all of its characteristics. Therefore it is no wonder that when I return to my educational work on Monday mornings my mind is projected to Friday evening when, God willing, I hope to be back on my land.

Now I shall go directly into the reasons why I feel that more thought should be given to the proposed reservoir project before making any final determination.

First and most important we should consider the changes that have taken place all over the world since this reservoir was thought of more than thirty years ago. We can still hear echoes of the H Bomb explosion as reported in the March 29, 1954, issue of Life Magazine and the resultant damage to those ill-fated Japanese fishermen seventy-one miles away. The damage done by the radioactive ashes is now history. The contamination to fish and water is known by all. Ladies and Gentlemen: Round Valley is within the seventy-one mile active radius of New York City which would undoubtedly be the focal point of any enemy H Bomb attack. Just think of what this would mean - an entire water system from reservoir to homes and factories completely contaminated - and contaminated almost permanently. In other words - the life blood of all New Jersey people ruined as only a side effect of striking a blow at New York City. It means that we can't put all of our eggs in one basket - or in this case one reservoir.

Members of the Office of Civilian Defense - this is your problem. The second H Bomb blast was many times worse and I don't even mention it.

Second, I wonder whether any one has examined the land in Round Valley or the water in Prescott Brook which flows through the Valley? I can't state that I have made any chemical analyses but I did learn that my handkerchief which had been washed in Prescott Brook deteriorated into a powder two weeks later, that the cement bags I filled with dirt to stem the flow of the mad waters of the brook were eaten away in two weeks and that an aluminum heating pipe which had been resting on the dirt in my cellar corroded through in a few weeks.

Don't you think that some study should be made before we use this locality as a reservoir for our drinking waters?

Third, the waters that we contemplate storing in this reservoir come from sources and run over fields that are contaminated. The lakes which in many instances are the sources of many of the streams are used very extensively for bathing purposes. The streams carry off much unwashed materials as well. Do we want these waters in the reservoir?

The use of reservoirs, if you will pardon me, is a product of the Horse and Buggy age. If you are emulating New York City you are emulating a City that has done nothing progressive in water conservation since the days of the eminent water engineer Theophilus Merriman who set up New York City's system more than 30 years ago when we had no problems of contamination, because there was no over-crowding, or bomb warfare. We must not forget that our Country up to the present year 1954 has never been subject to attack from the outside but now with the advent of the H Bomb anything can happen, but I am not one to sit back and say "What is going to happen will happen and you can't do anything about it" because we Americans know that there is a way out.

It is a simple matter to sit in the critic's seat and hurl criticism after criticism. What may we do about the water shortage problem in New Jersey? As I shall point out further on there is plenty of water in New Jersey but we are letting it get beyond our grasp and very good water it is too.

It is time now for us to work on a long range program for water as our neighbors in Nassau County in New York State did 24 years ago. They came up with a solution for having an unlimited supply of water for many years to come and they don't have a single reservoir in their county which has a population of 1,000,000 inhabitants in an area of 275 square miles touching the Long Island Sound on the North and the Atlantic Ocean on the South. This public works system supplies fifty public water supply systems.

How do Nassau County, California, Colorado and Iowa accomplish this? Nassau County has three hundred recharge basins to which the rain waters that fall on Nassau County are directed. At the recharge basins the water soaks down through the soil which purifies it. Wells ranging from 100 to 1200 feet in depth pump the water from beneath these recharge basins. By directing the rain waters to the recharge basins very little is permitted to run into the sea and at the same time the water table in Nassau County is maintained at a high enough level to prevent salt water seepage into the wells. It is not a difficult matter to see how much more vulnerable and expensive is the single reservoir as compared with the small, inconspicuous and more numerous well-recharge systems as used in Nassau County. If one well is put out little damage is done - if the grounds of Nassau County are covered with radio active dust the waters many hundreds of feet below the soil are still clean and fresh because they rely on nature to purify them.

THE CHAIRMAN: Pardon me. Will you file that with the stenographer because the rest of the folks here want an opportunity to be heard. I asked each speaker to be brief. There are a great number

of them. We can read it very satisfactorily. I wish you would hand it to the stenographer, if you will please.

MR. LANZA: Might I conclude?

THE CHAIRMAN: Yes, you may conclude, if you won't take long.

MR. LANZA: Does this method offer a large enough supply for the State of New Jersey? The average rainfall in New Jersey and Nassau County are about the same as judged from rainfall maps.

THE CHAIRMAN: I think you missed the point. We have bills introduced. We are interested in the merits of those bills. We all recognize the necessity for water bills, so if you will hand your memorandum to the stenographer - I have given you more than the usual allotted time - that will be very satisfactory.

(The following is the remainder of Mr. Lanza's statement)

Nassau County draws 135,000,000 gallons of water per day for its own use and sells 85,000,000 gallons of water per day to the Boroughs of Queens and Brooklyn, parts of New York City - and note that New York City with its extensive gargantuan reservoirs must turn to Nassau County for needed water. This is a total of 210,000,000 gallons of water from Nassau County which has an area of 275 square miles. Using this ratio New Jersey with its 7,836 square miles of area will have a very low minimum potential of 6,090,000,000 gallons of water per day. On the basis of 125 gallons of water per person per day - this ratio holds in New York City and I note also in Nassau County - there would be enough water to take care of 48,000,000 persons and the present population of New Jersey, according to my Atlas is 4,835,000 - a ten to one ratio. This in any Engineer's language is quite a considerable factor of safety. Note might here be made that

Nassau County is not even "catching" one-half of its run-away rain waters and even more significant, its wells are not suffering from ocean salt water seepage.

Ladies and Gentlemen, the picture is even more pleasant than I have pictured thus far. Because we people of New Jersey are good people, the Lord is good to us to the extent of an average yearly rainfall of 42 inches which if collected from New Jersey's 7836 square miles would amount to 5,015,040,000,000 - five trillion, fifteen billion, forty million gallons of water per year or a potential of thirteen billion, seven hundred forty million gallons of water per day which is more than twice that contemplated for practical purposes.

I have seen this system in operation in Nassau County. It works. Isn't it worth trying? It is possible to carry this out a little at a time - let's try a few. It won't entail the frightening figures mentioned in the proposed bond issue. As another argument you are building a reservoir large enough for years to come and it must be maintained whether it is or is not used. This is not so with recharge basins and wells which will be added as needed. If any here present are interested in visiting one of the basins in Nassau County, adjoining the easterly boundary of New York City, I shall be happy to make arrangements for such a trip. May I thank you again for having extended to me the privilege and honor of addressing you and express my gratitude for your courtesy in listening.

THE CHAIRMAN: The Chair will now recognize Mr. Milford Salny.

MR. MILFORD SALNY: Mr. Chairman and Members of the Legislative Committees: I speak for the New Jersey Water Conservation Association, an organization having headquarters at Netcong, New Jersey, in the

heart of the lakeland region of New Jersey, whose work is research and investigation into problems affecting water and water supplies and the dissemination of information to members of the public interested in this project.

With respect to the bills presently before the Legislature, we take the position that these are measures not calculated to be in the best public interest for the reasons hereinafter stated.

We are gratified to learn of the proposed amendments suggested by the North Jersey District with respect to A-424 and A-425 because we believe they recognize the merit of the position we have taken and fought for so strenuously. However, with respect to those amendments we would like to see some actual delimitation on maps or some designation to show us precisely what areas are to be excluded from the scene of operation of the control commission. Listening to Mr. Wilensky this morning, the proposal and suggestion he makes sounds as if it will be effective and helpful to us. However, we believe that, on the basis of his presentation, it is apparent that the need for haste and urgency is not as pressing as we were originally led to believe. We believe that the Legislature should carefully study precisely the effect of the amendments suggested.

Our position with respect to Assembly Bills 424 and 425 is this: We are in the position in the lakeland region - and by that I mean the four northwest counties of the State, Morris, Sussex, Warren and Hunterdon - of the one kid in the gang who had a lollypop - everybody else wants it; we are offered only one choice - which one is going to get it.

Now, we live by our waters up there. Our growth typically has been this: Someone living in the metropolitan area is attracted to our country because of its lakes and streams and its natural advantages;

first he comes as a summer visitor, then he buys a summer home, as he lives there for a while he establishes a permanent residence there and his business follows, in consequence we have had a phenomenal growth both of residents and industries in our area. In addition to all that, we are second only to the famed New Jersey shore area as a recreational section, available to and for the benefit of all the citizens of the State and the entire country. Millions of dollars roll into the State by virtue of the advantages we enjoy and exploit in the lakeland region. We feel that this Legislature would not want us to sacrifice our area, our advantages, our millions of dollars of ratables, and the happiness of our people, for the benefit of other sections of the State who can accomplish what they want without harming us. And these proposed amendments are indicative of the fact that our waters are not now needed and may not be needed at all - certainly not within 50 years - to supply the shortage that exists within the three or four other counties within our State.

We feel with respect to financing that we ought to be considered, not only from the selfish point of view of those who occupy one part of the State but from the standpoint of the taxpayers throughout the State who will be called upon under these plans and under proposed bills A-424 and 425 to pay for water supplied to other areas which for various reasons do not want to pay for it themselves. We believe in the principle that those who use the water must pay for it.

The North Jersey District has boasted in the statement connected with the Assembly Bills that it has a record of some 30 years or more of successful operation of water systems financed by municipalities - not financed by the State of New Jersey - and the history of

water supply in this State is that the financing has been accomplished either by private enterprise or by municipal organizations interested and willing to pay for what their residents consume. We see no need for the sudden change and we see no reason why the State of New Jersey should go into the water business for we feel this is but the first step toward government ownership of all enterprise.

If state ownership and operation of water supplies is such a desirable thing, why shouldn't there be similar state ownership of other utilities - the electric companies, the transportation companies? I know we all agree that we don't want to see that in our State but we fail to see how, under the provisions of these bills, they can be construed to mean anything other than state ownership and operation of all water eventually.

Certain things are claimed to be safeguards and protection. Private water interests have no protection under these bills. There is a statement in them that no customers of any existing water supply company shall be served by the Commission but what about new customers who come along? What about the rate-making powers that are conferred upon the North Jersey District Water Supply Commission? What about the power and prerogatives now vested in the Public Utility Commission with respect to setting rates for private water companies? What about private water companies set up by developers to assist them in promoting their lands? How will their interests be protected in this legislation against the rate-making facilities and the exercise of control of water supplies by the North Jersey District? We are assured that such protection will be afforded. We were assured that such protection of our interests would be afforded to the lakelands but I

I wish someone would show where in these bills such protection is given to the lakeland interests.

That is why we say - let's examine this carefully. If they actually do all the proposer of the amendments say they do, let's consider that situation from the standpoint of the whole State of New Jersey and see whether those are the type of laws that our Legislature wants to enact.

Now, The New Jersey Water Conservation Association came down here this morning with a panel of speakers but we recognize there is a shortage of time, so we have consented that several of our speakers will present their views in the form of statements, Mr. Chairman, so as to save the time of the Legislative Committees here. However, we feel that we cannot urge too strongly the necessity for a very careful examination of these bills and of the financial provision particularly, in view of the fact that the proponents of these measures must concede that no matter how it is financed there must be a period of deficit operation, and that the deficit that will be incurred during that period, no man can say how long that will be, must be made up out of revenues or made up out of taxation.

We have been handed a proposal that part of this deficit will be made up out of the corporation tax imposed in 1945. No one has said, but it is a fact, that this corporation tax is now dedicated to the schools. Are we going to take the money from the education of our children and the payment of teachers' salaries at this time when we are short \$28,000,000 and turn it over to finance water bills? I don't think we want to do that. Are we going into a project calling

for deficit financing at a time when the Governor says we need \$83,000,000 to make up the actual operating cost of government today? I don't know who would have the courage to stand before the electorate and say: "This water is of such pressing need that the State of New Jersey must pay for it. Never mind you fellows up in Morris, Sussex, Salem, or somewhere else, who provide your own waters, never mind the fact that you have enough for yourselves, you have to bear the additional tax burden on real estate for furnishing waters elsewhere. Everybody knows you will be paying it for a long time to come."

Mr. Chairman, thank you very much for your attention.

(Applause)

THE CHAIRMAN: The Chair will recognize Thomas Koclas.

MR. THOMAS KOCLAS: I have agreed to waive my time in favor of Senator Elmer S. King and Senator Hillery.

THE CHAIRMAN: May we also eliminate Fred Stocker?

MR. SALNY: Yes, sir.

THE CHAIRMAN: And John Roach, Jr.?

MR. SALNY: Mr. Roach would like to be heard. I think you should hear from him. He is a Member of the State Water Policy Commission, Director of the Board of Freeholders, and Mayor of the Town of Dover, and also a staunch proponent of water in the State of New Jersey.

THE CHAIRMAN: The Chair will recognize John Roach, Jr., Dover, New Jersey.

(Applause)

MR. JOHN ROACH, JR.: Ladies and Gentlemen: We had hoped that everyone would be heard. There are many people with us today who would like to talk and I am restricting some of my remarks because of

the fact that there are others here to be heard.

There have been some remarks made at this meeting today that were made 20 years ago, and 15 years ago, and 10 years ago, and 5 years ago, about what would happen to the State of New Jersey in the event we didn't get a large reservoir immediately. I would like to state that the same people are making the same statements now. Nothing has happened in the past 20 years to show that these engineers had made a correct or positive statement at that time or whether they had deliberately built up the project in order to sell a bill of goods to the people of the State of New Jersey. This is all a matter of record. We have it in our file because we have been interested in this problem for many years.

We have been hopeful, since the Legislature some years ago with the Governor decided that the Delaware River was the place to get our water, that apparently all concerned had abandoned the thought of exploiting certain sections of our State for the benefit of the rest of the State. And in all the information that has been presented here today, and that has ever been presented, the statement is made that when you get through building these mud puddles - and that is what a reservoir is when it uses the flood waters and flood waters only and then there is a drought in the dry period - when they say these people in the lake area, or any other area, can use it for recreational purposes, there isn't much there to use when the time comes to use it.

Furthermore, these same people that make the statement that we listened to here today that they are dedicated to the public use of all reservoirs, I say to them, in order to show good faith, open up all the reservoirs they control now and open up the watersheds they control

to the people of the State of New Jersey instead of enclosing them with wire fencing and instead of restricting them to a favored few who are able to get passes to use them. It is all very well to have all these fine statements here.

I am a member of the Water Policy and Supply Council and under the Constitution of the State of New Jersey, as presently existent, we are subject to change. The chances are that the Water Policy and Supply Council within the next 4 years will have a complete change of its membership. That is the system of government we work under. The chances are that the same thing will apply to The North Jersey - that you won't recognize a face in there in the next 4 years or not a majority of them. The same thing can apply to this Legislature and to the Governor of the State. And when anyone in this room will make a statement that we are going to, by law, protect an area, I want to say to you that they haven't the power to do it. They can temporarily place such a condition on a project that might be agreed upon by those who feel they might be hurt. Furthermore, I want to add - there has been a deliberate move by the North Jersey group to block every development that might be helpful in an emergency so that they may some day have the opportunity of developing this supply.

Now, let me say to you that The North Jersey brings nothing new to this State. There hasn't been a thing said here today that is new. And when they take credit for proposing legislation of any reservoir site, or when they attempt to say "we are going to offer amendments" to any bill, let me say that all these things were talked about years ago. They are a matter of record in all the documents

of the State Water Supply Council and the whole background of this entire case is built on records that they have used in order to prepare what they have here today. Certainly there have been some surveys and some field work but the record, the idea, and the thought are not theirs.

I have been a Member of this Council for a number of years and while I disagreed many times with them as to where they shall get the major water supply for the State of New Jersey, that is about the only way I have disagreed with them. They are hard-working, conscientious, honest people. They put their cards on the table and they know what they are doing. I want to say to you that all these amendments that have been talked about here today have been talked about by the Water Supply Council. Mr. Capen took exception to some of my work this morning when he said I was running around Morris County shouting against the water grab. He was with me on a case with the Federal Government when they were taking Lake Denmark. I want to say that Lake Denmark is privately owned by one individual, by the Liggett Estate. I was a representative, an appraiser of the value of the land. There wasn't any decision to be reached by anyone in the State of New Jersey as to whether the Federal Government could take that land or not, and Mr. Capen was with the individual, I was with the people in that instance and not with the individual. And on the Green Pond scare that he is talking about, there never was anything to it. We were getting information continuously and there was nothing to that.

We in the lakeland area are in this district where certain engineering elements of the State of New Jersey have misrepresented

our water situation for the last 20 or 25 years. We live in an area which we feel has something and we are just as proud of that area, for instance, as South Jersey is proud of its section, or the metropolitan area is proud of its section. We think there is a tremendous opportunity for the people of the State in that section. We feel that nothing should happen to it. In the taking of these lands for reservoirs they will stop the development - not for us - we will be gone by that time - but for the people of the State of New Jersey - and they will be moving out of the area that they are trying to build up today. If it was not for the air conditioning setup, you would have no diminution of water supply in that area. With proper control of air conditioning that situation can be taken care of.

I think it generous of The North Jersey and these other interests in the State when they say to South Jersey "You should activate your South Jersey Commission." You haven't asked for it. We don't know whether you need it or not. We know you are getting all the water you need from wells, and good water. And we know the well field in that district is always going to produce water. The records will show that. The salt intrusion is magnified out of proportion. All the people have to do is move inland a little distance and still use the great wells they have in South Jersey. But no, they want a reservoir for them, the people in North Jersey. Why? They want you to help pay for the North Jersey supply. Left alone, South Jersey was happy. They knew the Wharton Tract was there. They know it better than we know it. It is State-owned now. You are just being sucked into this thing, if you will, in order to help finance this whole building project that is a stepchild of the North Jersey Water Supply Commission.

There is no excuse for the fact that we are in a state of emergency for waters - and all your metropolitan papers would lead you to believe that. Your reservoirs are nearly filled in the State of New Jersey. They are within six feet. The Wanaque is at the top. And, if they had taken advantage of the water supply, as they should have, through their connection with Great Notch and its supply, it would be overflowing right now.

There was a criticism here today about the Water Policy Commission, about these interconnections, these great interconnections that were paid for with State money. It was stated that the pumps could not work. The State owned this project and this equipment was put in there during the war emergency and everyone knows that should be electrically equipped with motors or it should have diesels, and nobody knows that better than The North Jersey, and they know if they want to be honest with the people of the State of New Jersey that there would be a time every year when they could take water but they resist taking it - and why? - because they have to pay Jersey City a small fee in order to pump the water through their transmission line.

From March 8, this year, water has been pouring over the dam at the Boonton Reservoir. North Jersey never moved on it nor would they have moved if the Water Supply Commission had not compelled them by order to start taking water through these interconnections.

We know those motors are inadequate and they have known it for 5 years. They made no attempt to install new equipment at Great Notch Pumping Station nor will they unless they are compelled to. They will sit back and cry that they can only get 8,000,000 gallons a day when with the proper equipment they could be taking

25,000,000 and they could have been doing that since March 8 of this year.

Again, because of the Water Supply Council, on the Ramapo Project, the North Jersey Commission - which shows we have no confidence in them - agreed to these conditions when the Water Policy and Supply Council approved that grant, to them to take water from the Ramapo. They promised the people in that area this is what they would do and we had sizeable opposition there. What happens now? They are here crying now - we want to go there now and take their water.

Can we believe the people who come here and give amendments when they say we are protected and on the other hand say we want more water from the source where we have been getting it?

We know and feel this water emergency we are talking about now. Let me say to the press - check these reservoirs and check the condition of them. And I might say to the Legislature - you do the same thing, and check the interconnections we have in the State of New Jersey and see how far they are used, how far do they reach in North Jersey, and what do they do.

We made a draft of the Elizabethtown Water Company with some 20,000,000 gallons - I may be mistaken in the quantity - they were to build a line to take care of a certain area of the State; they built the intake and they are working on the project. The City of Elizabeth consulted with Elizabethtown Water Company and they wanted that transmission line built larger to carry the supply from the Delaware and Raritan Canal. That line would be built today and those people would have water there now but The North Jersey went in there

to show them some system of theirs and there is nothing being done at the present time. They deliberately threw a block on all development in the State in order to further their own end.

They can pump water from the Passaic River to the Wanaque supply and take flood waters, or they can develop the Pancake Hollow Reservoir in Wayne Township and take the flood waters. Wayne Township is in their own municipality. They don't want this. And on my desk is a release from the City of Passaic - and right with all this legislation you are talking about, now they are coming in to Morris County and Longwood Valley and developing a Reservoir site of 25,000,000 gallons daily. This doesn't mean anything. They just go through this. Promises don't mean anything. Such a statement was made by their spokesman, Mr. Ohland, the same gentleman who spoke here, and his superior, Mr. Spence. We have a copy of it right in our files. And further on at the Boonton Reservoir, Jersey City is talking about raising its walls so they can store more water. That died. What happened I do not know.

We feel that, with the proper use of interconnections and the proper development of interchanges, and with the compulsion of making them use these interconnections when there is water available and not waiting for an emergency, there will be plenty of water for the State of New Jersey until such a time as we go to the Delaware River.

There is one more thing - and I hope you will let me go on for a little bit. The other speakers this morning - and you had plenty of them - were not held back. We restricted ourselves to a few.

(Applause)

THE CHAIRMAN: We are going to have order. We are trying to conduct a meeting here for the benefit of the Committee who has to listen and understand these things. I am trying to be very fair to everybody in this room. There are many people who want to be heard. I only admonish the gentleman, I believe he has another speaker from Morris County, so that we can hear some other of these people. I say that in a kindly spirit and I wish it to be accepted in the same way.

MR. ROACH: Thank you. I will conclude directly.

Our contention is that the answer to our water problems in the State of New Jersey is in the Delaware River and eventually we will have to go there. There are many angles, many things were said here this morning that should be challenged and refuted and I will say to you - when they say they can pump water directly from the Delaware River without putting compensating water back in that stream they don't know what they are talking about. I say they can't use the Delaware and Raritan Canal without compensating waters.

I say to you that many, many of the statements made here this morning should be challenged. I am not going on any longer. We are going to oppose these bills. These amendments don't mean anything. They are subject to change at the meeting of the next Legislature. There is no protection. The plans of the Water Supply Council show a reservoir for every stream up there. Once it starts the complete situation is in that area. All water will come from the Raritan and Musconetcong and the other tributaries of the Delaware and all your compensation water will be stored in reservoirs on these tributaries of the Delaware. We don't want it in that area. We expect to oppose it right to the end. Thank you very much.

THE CHAIRMAN: The chair recognizes Senator Hillery.

SENATOR THOMAS J. HILLERY: Mr. Chairman, ladies and gentlemen: I realize the privilege that has been extended me here today, because I am a member of the Legislature, which is a quasi-judicial body, and it is not the usual custom to permit legislators to speak on legislative matters before committee hearings.

I promised my two colleagues, Assemblymen Elden Mills and Ben Franklin, that I would speak very briefly on this matter.

It has been said that Morris County and the lakeland regions have been following a ghost for years. I would say it is a pretty good ghost to follow, because Morris County has learned over the years, through its holdings in the lakeland areas, that it has a right to be suspicious and alert and watchful against people who are trying to take waters from our areas. It wasn't too many years ago that the bill was passed on this very floor of the Legislature that set up a flood control plan for Passaic and Morris counties, but at that time we had to go to Washington to fight that very thing that is going on in the other end of the State. They were trying to flood about half of Morris County. The Army engineers were doing it under the guise of providing a potable water supply. Now, it is not unreasonable that Morris County should fight for its rights, because we have so many ratables in the county that are in jeopardy because of bills of this nature. If you look at all the bills introduced to create this reservoir site, you will find that there is no protection in any of the bills for properties in the lakeland areas.

Now, as to the amendments offered here today, I am speaking for myself and for my two legislative colleagues who have asked me to

speak. We are still opposed to the bills and opposed to the amendments.

I want to say briefly in closing that I am very suspicious of the bond issue which sets up amortization of this project. The Governor, himself, less than two weeks ago on a television show on a Sunday night, while being quizzed by a Morris County news reporter, in answer to a question about the bond issue, said - I hope I am quoting him correctly - that he hoped the revenues from the sale of water would be adequate to amortize the bonds. Now this morning the proposition was made that the State should dedicate the franchise tax to amortize these bonds. If you have watched the legislation during the last months, there is a movement on to dedicate that money for school aid, and I say here there should not be any deviation from that course.

I want to thank the people who came down here this morning from Morris County. It has been a wonderful display, and we are still against the bill.

Thank you very much.

THE CHAIRMAN: Thank you, Senator. You are in your usual good form today.

I will now call on Mr. Albert H. Acken, Executive Secretary of the New Jersey State Chamber of Commerce.

MR. ALBERT H. ACKEN: I have a very brief statement to make on behalf of the New Jersey State Chamber of Commerce.

The organization which I represent is deeply concerned with the water supply problems of New Jersey. We are concerned first because an adequate supply of potable water is essential for the health and general

well being of the people of this State; secondly, we are concerned because an adequate supply of water for industrial use is essential to the continued industrial development of our State. I need hardly point out that it is through industrial development that new job opportunities are created, the income of our population raised, the high standard of living which we now enjoy protected and expanded.

Last year in a paper presented to the Annual Meeting of the New Jersey Utilities Association, Dr. Thurlow C. Nelson, Chairman of the Water Policy and Supply Council of the State Department of Conservation and Economic Development, pointed out that the six northeastern industrial counties of Bergen, Essex, Hudson, Middlesex, Passaic, and Union have increased their total daily water consumption from an average of 270 million gallons in 1941 to 405 million gallons daily in 1953. The alarming part was Dr. Nelson's estimate that the safe dependable yield for this area is but 415 million gallons daily, leaving a margin for growth in consumption of only about 2-1/2 per cent. This is unquestionably a dangerously low safety margin in the supply of a commodity so vital to the needs of every individual and every business.

One of the principal points made by Dr. Nelson was the fact that New Jersey has relied upon its great natural advantages of climate, rainfall and underground resources to such an extent that we find ourselves seriously short on storage facilities.

About the time Dr. Nelson made this speech, our State Chamber's Industrial Development Committee created a subcommittee on Water Resources which has been studying the problem for about six months.

As members of the Legislature are aware, it is not a simple problem and there are honest differences of opinion among experts on how it should be solved. Because of our desire to endorse a proposal which is, in our opinion, the soundest overall approach to a solution of this problem, we are not at this time in a position to recommend any of the specific bills before this Legislature as being the best approach. This is particularly true in view of the fact that some of these bills are, we understand, in the process of being substantially revised or amended.

Our Water Resources Subcommittee will continue to study these bills as they emerge in their final form and we will also study carefully the testimony presented at this public hearing in order that we may have before us all shades of opinion by those who are expert in this field. When we have reached a decision on which of the bills now before the Legislature we will support, we will apprise the members of the Legislature of our recommendation.

Thank you for the privilege of appearing here.

THE CHAIRMAN: Thank you, Mr. Acken.

I can see now where the Committee is going to have a great deal to study, and some of you who are hopeful that this job will be done in a week or two must realize that that is impossible. I think you will realize that it will take considerable study and we need all the help we can possibly get in the form of reports so that we will be thoroughly conversant with the subject toward the end of getting the best results.

Mr. Palmer Murphy.

MR. PALMER MURPHY: Mr. Chairman, I have a brief statement here

from the Greater Paterson Chamber of Commerce.

The Greater Paterson Chamber of Commerce, with 1100 members in Passaic and Bergen Counties, urges the enactment of legislation at the earliest possible date to permit the North Jersey District Water Supply Commission to proceed with the acquisition, construction, and operation of the Round Valley Reservoir, together with necessary transmission lines and aqueducts.

We believe that an additional water supply system for the northern part of the state is absolutely essential, and that it is needed immediately. Paterson and its surrounding communities represents a heavily concentrated industrial area and is to a large measure dependent on an adequate supply of good potable water. Especially, our textile dyers and finishers, our chemical companies, our aircraft engine plants, require large quantities of water. Paterson is a commercial center, with office and commercial buildings requiring large quantities of water. We are in the heart of a rapidly growing residential area, with more than 100,000 dwelling units constructed since World War II, and these residences need water.

At the present time, we do not have a safe and sufficient supply to assure continuation of an adequate supply of potable water to our industries, our commercial buildings, and our homes. Certainly we do not have a sufficient water supply to permit the future growth and development of the Passaic and Bergen County area. Water supply is an important consideration to new industries which might contemplate moving into the north Jersey area, and it is imperative that we attract new industries, for Paterson has been placed in a Class 4 Unemployment

Distress area by the federal government because of the large amount of unemployment which now exists. We must have new industries to put these people to work, yet we cannot get new industries unless we can give them assurances of an adequate water supply. We cannot give such assurances at the present time. Our water supply shortage is critical at the present time to the point of emergency. Our need is for water storage, for the potential supply is normally present. We support the findings and recommendations of qualified engineers for the construction of a reservoir at Round Valley as the best solution at the present time, although we continue to hope that in the future there will be a Conservation Pool for water supply and flood control built on the Passaic River, similar to that proposed by the U.S. Army Engineers.

We believe that the Round Valley project should be built and operated by the North Jersey District Water Supply Commission, as provided generally by the pending bills A424 and A425, with the financing backed by the credit of the State.

Our members live and have their places of business in communities which have been served by the North Jersey District Water Supply Commission, and we know that that Commission is qualified and able to proceed with the Round Valley project. The members of that Commission are our neighbors, and know our problems and our needs. We feel that the Commission's engineering staff is the best obtainable, and that there can be no question of their ability to do the Round Valley job. The Greater Paterson Chamber of Commerce has complete confidence in the North Jersey District Water Supply Commission, and feels that the Commission should be allowed to extend its excellent operations, proved by past experience, through the Round Valley project.

We do not believe that any state agency has the necessary experience in reservoir construction and operation to do the job, and we feel that giving control of Round Valley to a state group will unnecessarily delay the project. We are aware that at least one member of the State Water Policy and Supply Council has publicly announced his complete opposition to the entire Round Valley project, and we do not feel that a project as important to the State of New Jersey as Round Valley should be turned ^{over} to a group that is not unanimously in favor of such a project. We do not feel that the Department of Conservation and Economic Development, nor other state agencies, are fully aware of the critical water supply system which exists in North Jersey, and as evidence may be cited the delays which the state created in permitting the Ramapo River diversion projects to relieve the situation, the limitations which the state put on the Ramapo diversion, and the very recent rejection by the state of the petition of the North Jersey District Water Supply Commission for permission to draw additional supplies from the Ramapo River, whose excess waters are now running wasted into the ocean.

Further, it does not take engineering skill to know that complications and difficulties would arise, and that it would be uneconomical and confusing, if the State were to construct and operate Round Valley while the North Jersey District Water Supply Commission maintains and operates the Wanaque Reservoir to serve the same area. Would there be duplicate transmission lines built, or if not, who would control the flow of water through the existing transmission lines? If North Jersey constructs and operates Round Valley, there can be the integrated system necessary for most efficient use of the Round Valley and Wanaque Reservoirs. This integration cannot be obtained if a new state agency operates Round

Valley.

We are extremely fearful that if there is a state-operated water supply system placed in competition with the existing district and municipal water supply systems in the northern part of New Jersey, the state system could be successful only if the state exercised its right of eminent domain and condemns the existing district and municipal systems. Any effort at condemnation would be resisted through every course of litigation possible, to protect not only the investments of the municipalities, but also to protect the rights of those municipalities which had the foresight many years ago to acquire for themselves water rights and water systems necessary for their growth and development.

Therefore, the Greater Paterson Chamber of Commerce respectfully asks the Legislature to enact at the earliest possible date the necessary legislation to permit the North Jersey District Water Supply Commission to finance, acquire, construct and operate the Round Valley water supply project.

THE CHAIRMAN: Will the gentleman submit to a question, please?

MR. MURPHY: Surely.

SENATOR FARLEY: During the course of the hearing, there was reference to the fact that this project would be self-liquidating. This Committee would like to know if it can be apprised of the contemplated income, the pattern formula, and the measure of time as to the liquidation of these bonds, if you know.

MR. MURPHY: I am afraid I would have to ask Senator Wilensky to answer that question.

SENATOR FARLEY: Senator Wilensky will you try?

MR. WILENSKY: The project as contemplated in stages is done

deliberately so that we will not put too much burden on the project in the beginning. Unfortunately, the first stage is the most costly - the stage of the acquisition of the reservoirs and the costly transmission lines which have to go about 30 miles. The same reservoir will be used for diversion from the Delaware. It has been estimated that the Passaic Reservoir and transmission lines will cost about forty-five to fifty million, but in its first stage, with water from the South Branch of the Raritan, it would produce about 70 million gallons a day. The difficulty with all water projects is that you don't use the 70 million gallons a day from its inception. The use starts off slowly to supplement existing supplies with ten, twenty or thirty million gallons, and the additional forty still has to be paid for. I might say, in comparing it with the Wanaque system, in the early stages, only thirty or forty million gallons were used a day. Today there is ninety-five, and the more water that is used with the same facilities, the cheaper the water gets, and that would permit of the fixing of a price which would take into contemplation the gradual use of more water and the repayment of the losses sustained in the beginning.

You may recall that I said the average use of water in Northern New Jersey has increased at the rate of 13 million gallons a day, and eventually, in ten years, that would be 130 million gallons a day. Assuming there may be some economic slowdown or stabilization, you may use only half of that. It would appear then that in the next ten years, until the project is completed, there should be a demand for sixty-five or seventy million gallons a day. If there is such a demand, the project can be self-liquidating and a fair and equitable price can be arrived at, commensurate with present prices.

I shall go further: If you only sell 20 million gallons a day, the price for water would be four hundred and some odd dollars per million gallons; on the other hand, under the same system, with two hundred million gallons, the price would be as low as seventy dollars per million gallons. The Passaic project, as I said, is forty-five to fifty million dollars for the first stage. The second stage might cost fifteen or sixteen million dollars, but we anticipate that we will necessarily need at least ten million to carry us over the early stages and interest during its course of construction, but from then on, like any other business, over the years it will pay for itself.

THE CHAIRMAN: Will you submit to a further question?

SENATOR FARLEY: Senator, this fluctuating price is determined by the use of water and the increased use of water. What bearing would it have on private industries or private companies, if any?

MR. WILENSKY: That is a good question. I think our bill was drawn on the basis of not fixing a firm price but rather calling it "fair and equitable." It would be uneconomical, when you only use twenty million gallons, to fix a price of some four hundred dollars per million gallons, because you would not be able to get industry to come in at that price; so, therefore, you would have to fix a price lower than that that would be fair and equitable to industry and fair to the users of the project.

SENATOR FARLEY: In your judgment, would you approximate for us the time of liquidation of these contemplated bonds?

MR. WILENSKY: They would have a constitutional limit of 35 years.

SENATOR FARLEY: Would you want to use your best judgment and say whether you would utilize the entire period, or less than that?

MR. WILENSKY: I think it would be less than that period of time.

SENATOR FARLEY: Approximately what period of time would you say?

MR. WILENSKY: I would say about 25 years.

THE CHAIRMAN: The Chair will now recognize Mr. Max Grossman, Division of Water Policy and Supply.

MR. MAX GROSSMAN: Mr. Chairman and Members of the Legislative Committees: Just a few words to confirm some of the things that have been said and to try to refute some of the others.

In some of the talks this morning it was stated that the North Jersey District Commission is the only public agency which now supplies water - which controls or operates in the supply of water in the State of New Jersey. That is not true. The State of New Jersey itself, through the Water Policy and Supply Council now supplies the waters through the Delaware and Raritan Canal with a prospective supply of 75,000,000 gallons a day, now selling approximately 35,000,000 gallons a day, and it does this at a very reasonable and fair and cheap price.

It was also stated that the North Jersey District Commission was the only body in the State of New Jersey that had the experience, the know-how - the experience and past experience rather - in the construction of facilities for water supplies. That likewise is an untrue statement. The Water Policy and Supply Council, acting for the State of New Jersey has spent \$1,400,000 in the construction of facilities on the Delaware and Raritan Canal in order that it may, and it does at the present time, supply a portion of the State of New Jersey which otherwise would have a shortage of water.

Another statement that was made - although not directly made it had the inference that it was the desire of the Water Policy and Supply Council to control the operation, the construction, and the allocation of the waters for the State of New Jersey. As to the last statement, it is true. We do desire the continuation of our legislative comment to allocate the waters of the State of New Jersey.

However, if these same gentlemen will peruse the records of our Council they will find that on several occasions the Council itself has gone on record as suggesting that the function of allocating waters be separate and distinct from that of operating and constructing water facilities. It is not the desire of the Council to act in an almighty capacity.

Now I want to go back and reiterate what was said by Councilman Palmer this morning. It is the feeling of the representatives of the State of New Jersey, representing South Jersey - there are three of us on the Council - Mr. Schultes, Mr. Palmer and myself - that the activation of a South Jersey District Commission is premature. We do not feel that at this time the development of a major additional supply in South Jersey is necessary. We do feel that up to this time there has not been enough attention given to a study of the future demands of that area and we urge that if anything is done in the legislation proposed that it be along the line of instituting some method by which these studies might be made and that they be made a matter of record both of the Legislature and the Water Policy and Supply Commission so that if in the near or distant future some requirement for additional water supplies might be necessary, the plans and the finance for the work would be available.

Now, there have been differences of opinion, as Mayor Roach of Dover has stated. They have been honest differences all thought out in the Council itself. The Mayor and other Members of the Council have given a great deal of time and consideration to the problem. They are not in accord as to how the development for the northern metropolitan area should be carried forward. They do know, regardless

of what has been said, there is a prospective shortage of water in that area, and that the development in every respect, commercially, industrially, and every other way, is bound to be hampered and arrested unless something is done to amplify and implement the present sources of supply. And, as a Member of the Council, even though I come from a region which is not at the present moment in dire need of additional supplies I urge this Committee to give its earnest approval to the development of an additional supply for the northern metropolitan area.

THE CHAIRMAN: Thank you, Mr. Grossman. The Chair recognizes Mr. George W. Herlich, Union County Board of Freeholders.

MR. GEORGE W. HERLICH: Mr. Chairman and Members of the Committee: As the Acting Director of the Union County Board of Freeholders I represent some 400,000 people in Hillside who all - some, not all, of course, but many of whom have awakened in the morning during these water shortages and found they have no water. Now, if you gentlemen - and many of you have been on the governing body of these smaller communities as I have been, and such an event occurred and your telephone rings and some irate lady gets you on the phone - brother, you have something to answer for.

Now, that is just one of the problems that we in the smaller communities have faced in Union County and in some larger communities.

Another point that is terribly serious - that is the matter of fire protection. It is a difficult thing when you have a fire in a particular neighborhood and the fire engine drives up and there is not enough water to put the fire out. That actually happened.

There have been a lot of things said here today on both sides and I, for one, appreciate hearing these various phases of this problem. It has become so serious in Union County that the January Grand Jury handed up a presentment to the Court in which they said something had to be done about this frequent shortage of water in Union County. They even indicated that the Board of Freeholders should do something about it. I am sure that if all the members of that Grand Jury were here this morning - and one is here with us, the Deputy Foreman - to hear these comments they would realize that the problem is far beyond the ability of any one county or any group of municipalities in a county to handle it.

My earnest wish for the people of Union County is that this Committee will do something very definite this year in this matter of additional water supply for the northern part of the State of New Jersey. Thank you.

THE CHAIRMAN: Thank you, sir. Also from Union County, Mr. Walter Jones. I don't mean our Senator Walter Jones.

MR. WALTER H. JONES: I am Mayor Walter H. Jones. Mr. Chairman and Members of the Committee: I am here, as Mr. Herlich said, pleading for the victims in this so-called trial. I came here originally as representing from my own community some 12,500 people, but for the sake of brevity I am speaking to you representing some 17 communities with a total of some 232,000 people. They have banded together in what is known as the Intra-Municipal Water Committee. It was occasioned by a terrific lack of water over the past 3 years.

As Mr. Herlich pointed out, last year, while a Fire Commissioner of my own community, in the early part of June we were faced with a water

shortage and while the calls were coming into our switchboard at the rate of several hundred per hour, the fire whistle went on. You can imagine my feelings at that moment. I must say, fortunately, that in that particular area there was some water although the pressure was not what it should be.

There are two sides to this question, no doubt. We have heard from both of them but I would like to impress upon this Committee, as Mr. Herlich did, that there is a third side - that is the side of the people who are without water - and something must be done real fast. Thank you.

THE CHAIRMAN: Thank you, Mr. Jones. The Chair will recognize Assistant City Solicitor of Camden, Mr. Norman Heine.

MR. NORMAN HEINE: I am Norman Heine, Assistant City Counsel of the City of Camden. With me here today is Mr. Edward Sheehan, Superintendent of our Water Supply System.

At the outset, Mr. Chairman and Members of the Committee, I think it is a sad commentary upon our sense of appreciation to hear or to fail to hear more commendation given to the Water Policy and Supply Council that operates and supervises control of water in the State of New Jersey. Up until the members of the Council themselves, Councilman Roach and Grossman, found it necessary to speak in their own defense, the impression I received this morning was that they were ignoring the best interest of the State. I should like to record myself as a witness in their favor.

As you know, the City of Camden operates the largest underground municipal water supply system in the State of New Jersey.

For the past 15 years I have had many opportunities to appear before the Council on behalf of the City of Camden and I think there is no agency in the entire State of New Jersey that serves the people with more sincerity and more willingness to serve the entire State than does the Water Policy and Supply Council. I think it is commendable that even among the Council Members themselves there is a diversity of opinion, but when it comes to serving all the people they reflect the best interest of the entire State and there is unity in their sense of dealing and in their sense of propriety.

We think, in speaking on these bills, that they have indicated over the many years that a single State agency charged with that responsibility by the Legislature is best equipped to undertake the study and development of the water supply systems in the entire State.

We are not sufficiently informed of the facts as to whether the North Jersey area has to be developed first or what the exact needs of the South Jersey area are. We do know this - in the development of water, assuming that the South Jersey Water Supply District could be activated - we know that we in South Jersey are 30 years behind time. We still have not activated the South Jersey Water District. There may have been very good reason but, be that as it may, the fact remains that no study has been made on the development of the water supply system in South Jersey.

We think that there should not be two agencies competing for the same State dollar. We think a single agency dealing with effective control of water supply in the entire State is best equipped to handle this situation.

I think we might go along with Councilman Grossman who indicated that there is no need for construction of a water supply reservoir in South Jersey. I am sure that he and other members and experts associated with the Council are in the best position to deal with that problem. We do know that there is immediate need for study. We do know that there is immediate need for planning for the future. South Jersey, and Camden particularly, is faced with a tremendous growth, industrially and otherwise. We have need for more water. We would like the State to at least give us a blueprint as to how that water can be obtained in the future if our present existing supplies are not able to be developed. So much for the overall problems.

Regardless of what bills come out of this Committee, and I understand a Committee Substitute will emerge from this Committee, we think there are two important points that should be embodied, recognizing the limitations that Councilman Roach mentioned. We recognize that this Legislature could not bind and commit future legislatures but we do say that the very initial bill that emerges from this Legislature, if as and when it does, should contain unequivocal and unmistakable language guaranteeing the existing municipal supplies that they shall not be subject to condemnation without their consent. We have a tremendous investment. We know our own problem. We don't want any agency, state, district, or otherwise, to have the power to condemn without our consent. The present bills themselves, while they tend to limit the power of consent of municipal supply systems, have in themselves such contradictory language that only some Supreme Court will be able to

determine. We think the legislation, where the right of condemnation or right of eminent domain is mentioned, should clearly state in plain language that a municipal water supply system should not be allowed to be condemned without consent of the governing body. Further, we think that the right of a municipal system to further develop within its limitations, within its geographical limitations, should be descriptive. We don't want to be in a competitive position with any state agency, district agency, or any other agency. We will compete among ourselves, among the suppliers of a system, within the limitation of our franchise, but we don't want to be put in the position of competing against the State. Thank you.

THE CHAIRMAN: Thank you very much. We would like to hear from Mr. Schultes, from Gloucester County, a Member of the Water Policy and Supply Council.

MR. A. C. SCHULTES: Mr. Chairman, ladies and gentlemen: I am a Member of the Water Policy and Supply Council. I am not an engineer. I have been putting holes in the ground for the last 35 years in New Jersey, Delaware, Maryland and Virginia, and I know something about underground water.

In this bill there is nothing whatsoever as to a plan for South Jersey, which I am thankful for, and I think an honest study should be made of underground water in South Jersey. When Dr. Nelson said we have a billion gallons down there, I think he was very modest.

In the last ten years in South Jersey industries have been coming in very heavily. A few years ago when the Texas Company came in there was a report that the water in the Philadelphia Navy Yard

would drop 25 feet when the Texas Company started pumping. For 5 years I watched that carefully and, instead of that, the water in the Philadelphia Navy Yard has risen 9 feet.

From Asbury Park to Trenton to Cape May we have a body of water just laying there waiting for somebody to come and get it. It hasn't been tapped. There is a lot of water there.

In closing, there is one thing I would like to mention. I heard what some industrialists this morning stated about the channel of the Delaware River. Let me tell you, you want to be very careful of that. I know and I can prove that 75 per cent of the water in South Jersey is taken from strata in the bottom of the River from Camden to Trenton and if they deepen that channel without giving us some guarantee that they will protect our waters, and salt water seeps up there, the City of Camden will be the first one out of water, then Gloucester, and I think the Legislature should look into that very carefully before they let them dredge that river. Thank you.

THE CHAIRMAN: Thank you, sir. I will now extend the privilege of the floor to Mr. L. Albertson Huber, Division of Shell Fisheries.

MR. L. ALBERTSON HUBER: Mr. Chairman and Members of the Committee: I am speaking for the Division of Shell Fisheries, for the oyster. Dr. Nelson knows much more about the oysters than I do but there are certain things that may happen to the oyster industry in the Mullica River area, Great Bay, and the areas north and south of Great Bay, if diversion takes place in this Wharton Reservoir.

I hope, as Mr. Grossman stated and as Mr. Heine stated, that before the Committee will put in any future bills a thorough study

should be made of the area and the effect on the Shell Fish Industry in New Jersey.

There are certain diversions in the Delaware which may hurt the oyster industry in the Delaware Bay and we hope the Committee will make a thorough study and see that the proper points are put in the legislation to afford a study for the Shell Fish Industry in the Mullica River area. Thank you.

THE CHAIRMAN: Thank you, sir.

THE CHAIRMAN: The chair now recognizes Mr. Elmer S. King.

MR. ELMER KING: Mr. Chairman and members of the Committee:

The first thing I want to call to the attention of the Committee is the fact that it has been indicated here this morning and this afternoon that the South Jersey supply needs further study and that it is not imminent at the present time. According to Mr. Wilensky's statement, the project at Round Valley will not be self-liquidating for some time. I figured out that two per cent on seventy-five million, plus amortization, over 35 years would provide the carrying charge three and a half million dollars a year. There is only one source from which that money must be obtained, because it takes from five to ten years-- we will split the difference and say seven years-- seven years before this project is in operation, and in the bill it says: first, the revenues from the tax imposed by the "Corporation Business Tax Act," and finally by the imposition of real estate taxes payable to the State of New Jersey.

Gentlemen from South Jersey, you are going to be paying the bill for this if this thing goes through. Let's not kid ourselves.

Now, I want to further say in reference to the gentleman from Hillside and the people from Union County, they are worrying about a condition which has been creeping up on them for some time, and apparently they have not done anything in their municipalities to alleviate that situation. Now, what they have done or have not done, I don't know, but that seems to be the indication, and now they are looking to Santa Claus - the State of New Jersey - and I may say that North Jersey is looking to the same bag of gifts, to be the financing agency for this development.

In reference to the North Jersey carrying this load, I might say to you that I hold in my hand a manifesto to the people of New Jersey

"Do you want a water dictator? Candid discussions of proposed water bills. Read carefully. It affects your pocketbook." Gentlemen, that was printed in a paper and published by the Paterson Chamber of Commerce in 1938 and is just as applicable today as it was in 1938. I dug it out of the archives.

Let me go a step further on this water supply. They talk about Round Valley, and I will limit myself, Mr. Chairman,- and the figures given here this morning were 50 million gallons from Round Valley through the South Branch of the Raritan, which has its head waters in Budd Lake in my county. Fifty million gallons - and it was stated by engineers here this morning that the increase in water consumption would be from 12 to 13 million gallons. I have forgotten the exact figure, but it was approximately that - 12 to 15 million gallons a day per year. If it takes ten years, or let's say 7 years, to build the Round Valley Reservoir, it is going to be like some of our state highways that are overcrowded before they ever get built, because 50 million gallons from Round Valley is not going to supply your 120 million gallons per day in ten years. I use your own figures. You can use a pencil, and so can I. So Round Valley is out of the picture before it gets started in construction. It cannot help itself. Now, where do we go from there? They say, "Go to the Delaware River. By-pass the Musconetcong." As near as I can figure out, they contemplated taking 15 million out of the Musconetcong, and now they are going to by-pass it and go to the Delaware. How much water are they going to take out of the Delaware and who is going to determine it? You are taking 100 million gallons now under the original allocation of the Master. The Supreme Court decision said we have a right to take 410 million gallons of water out of the Delaware.

That was allotted to New Jersey. Let's assume that has not been cut one iota and you are taking 100 million gallons out of the Delaware and Raritan Canal. That is 100 million gallons out of the 410 million, so you can take 310 million more. In order to take any portion of that, you have to put in a compensating reservoir. If you put in a compensating reservoir, where is it going to be and how are you going to do it?

Nothing has been said about that here this morning.

You talk about people not taking care of their own household. I hold in my hand an article which appeared in the Newark News, stating that Jersey City was going to put in a four-mile potable lake located in Round Valley up in my county. Jersey City is doing that by itself. They own a lot of property and now they are going to acquire 1200 acres more.

I say to you, gentlemen, in the first place, the program which has been outlined is not complete in its detail. They have not thought the thing through. They have not got the water from the Delaware River and they have 50 million gallons, they say, from the South Branch of the Raritan, which is gone long before you start construction. Furthermore, when you get to your financing, this is a case of Santa Claus coming to the rescue of somebody, and you members of the Legislature are talking about where are you going to get money for schools, money for institutions, and money for this and that, and here you want to put in a \$150,000,000 bond issue and tax real estate owners. It says so right here: Tax the real estate owners to pay for it, and people in some parts of the State of New Jersey are not going to get one bit of benefit of that and they will be playing Santa Claus. Let's not forget that. It deserves a tremendous amount of thought, gentlemen.

I have been in this thing for thirty years, and I know how it has been kicked around. It deserves a lot of thought. Let's not be hasty in our action, and let's think about what we do. It does not affect the whole State of New Jersey.

Thank you very much. (Applause)

Mr. Chairman, may I add that I am speaking for the Dover area Chamber of Commerce, many municipalities in Morris County, the Morris County Planning Board, and the Morris County Board of Freeholders, as well as as an individual.

THE CHAIRMAN: Thank you. It is good to hear a speaker who is not urging us into quick action.

I will call Daniel G. Gallop. Is he here?

MR. DANIEL G. GALLOP: Mr. Chairman and Members of the Committee: I would like to say just a few words, because most of what I wanted to say has already been said very ably by Mr. Salny, Mayor Roach, and Mr. King. I would like to say that I represent the Shady Lawn Club of Hopatcong, which is an association of perhaps 50 adult members-- people who have purchased homes in Hopatcong within the last few years. They are not a unique group. There are many similar groups around the Lake, some of whom are here, and some of whom are represented by the New Jersey Water Conservation Association, for which Mr. Salny spoke.

I would like to add that the depletion of the water supply in the Lake would be disastrous to the area, that the Lake itself is the essence of the entire community of Hopatcong and other communities around the Lake areas, and that any depletion of the water there would, of course, greatly affect all of those communities, as has been pointed

previously.

Now, Senator Wilensky has suggested several amendments which are being proposed to this bill. If these amendments are passed, we assume we will be protected, assuming they represent what Senator Wilensky said they represent. We will reserve final decision on that until we have seen the amendments in writing.

That is all we have to say. Thank you.

THE CHAIRMAN: The Chair will recognize Mr. Frank X. Federer of Budd Lake.

MR. FRANK X. FEDERER: Mr. Chairman, Senators, Assemblymen, Ladies and Gentlemen: My name is Frank X. Federer and I am President of the Citizens Association of Mt. Olive Township, namely, Budd Lake, Flanders and Bartley.

I have been delegated on behalf of our Association to notify you that we have unanimously passed a resolution opposing this water grab bill, namely Bills #368 and 369, in an attempt to save the lakeland areas for we the people, pioneers and developers of the noted lakeland areas for ourselves as well as all the pleasure-seeking people of this State.

We also respectfully request you, our Assemblymen, to stop the State from entering the Water business. Mr. Flanigan, the gentleman from South Jersey said: "They've already spent \$25,000,000 to secure our lakeland waters for others." Take the water away from us, the place where the Good Lord put it, and we the people of that area are crippled, as far as future livelihood and business developments are concerned. You, our representatives, are expected to protect our interests, those of us who have already built our hopes of a future in our lake areas. We too are now blessed with many large corporations moving in to our areas - Worthington Pump, Stockers Paper Mill, Mennan Corporation, U. S. Steel, and many others.

Mr. Schoen stated that they will sell the water from our area to all-comers at our expense . In all these discussions I have not heard one person recommend a movement on behalf of the entire State to urge real water savings in every city, town, village, etc. How come?

A perfect piece of political strategy, it seems to me, was the attempt this morning by a certain speaker here in "dividing and conquering" the lakeland people by saying something about not taking the waters of Lake Hopatcong and the Musconetcong River. I urge all lakeland people to stand together as we originally started out. We asked no quarters and we'll give no quarters. Just let us, the people of Northern New Jersey enjoy that which God has endowed us with, the beautiful North Jersey Lakelands.

In closing, I urgently and respectfully ask you to carefully weigh and consider the wants and needs of we the people of this beautiful lakeland area, consider our present and future businesses, families, and the capital invested to make this area nationally known. Get the water from the Delaware.

Thank you for allowing me this time.

(Mr. Harry J. Gardner requested that the following statement be included in the record.)

MR. HARRY J. GARDNER: I am appearing today as a Morris County Citizen and Taxpayer of Budd Lake, Mt. Olive Township, and as an Attorney representing the Citizen's Association of Mt. Olive Township. I am here primarily for the purpose of vigorously protesting the adoption of any bill that would attempt to take away the Lakes of North Jersey, the sole source of supply of the proposed Round Valley Water Reservoir.

Recently the Citizens Association of Mt. Olive held a mass meeting of property owners and citizens of the Budd Lake area, and there was a turnout of several hundred interested citizens who wanted to learn more about the Round Valley Water Bill. Assemblyman

Bowkley was present at that meeting and enlightened the people of the contents of the bill he proposed.

After listening to the various speakers, the people and I could come to no other conclusion but that the Round Valley Water Bill was not just another Water Bill but "A Water Grab Bill" - and so unanimously resolved.

The Bill left little to the property owner and taxpayer to hope for, or that might in any way give them some consolation for having to give up something so valuable to them, their lakes and their homes.

The Bill, in providing for 1 - condemnation, 2 - eminent domain, and 3 - all necessary powers in order to carry out the general purposes of the Bill, would in my opinion give the Water Supply Commission unlimited police power which no other legally constituted body could claim.

This joker, in my opinion, would jeopardize the homes and in many cases the means of a livelihood for many of the property owners and residents of this region.

We in the beautiful lakeland region of our great State consider ourselves blessed by God in having been given such wondrous beauty as our lakes. To permit the State to take them away from us will seriously deprive us of our main recreational facility to say nothing of our use of this water for the many purposes we are now using them.

Are we living in Russia? Are we not attempting to simulate the Communistic Doctrine of taking from the "Haves" and giving it to the "Have Nots" because the "Have Nots" feel it will be

economically for their benefit to have without just compensation that which is rightfully ours to enjoy.

The needs of the various municipalities clamoring for water may or may not be as represented. However, I feel that in all justice to our people, the sources of the Delaware and the upper reaches of the Hudson River should be fully explored as a plentiful source for water and God knows that they are fully capable of supplying all the people of the State of New Jersey with all the water they could ever want for.

All of the people of the lakeland region will continue to voice their objection to and fight this vicious and unjust Round Valley Water Bill. And with the united effort of the entire lakeland region I am certain that we will finally prevail.

THE CHAIRMAN: Does Mr. Earl L. McCormick desire to be heard?

MR. EARL L. McCORMICK: I am representing today the New Jersey State Federation of Sportsmen Groups which, of course, is the official representative of our State's licensed sportsmen, and in 1953 the State issued 198,290 hunting and fishing licenses. These sportsmen spent an estimated \$40,000,000 in our State last year, which will give you some idea of the economic importance of the sportsmen to New Jersey. This is too often overlooked in our State economic picture.

The purpose of our presence today is not to support or oppose Assembly Bill 424 as it now exists. The sportsmen are not water experts and are content to leave the matter of estimated water requirements to the various State officials charged with that responsibility. Our concern is that the waters and lands to be acquired

under Assembly Bill 424 be open to the people of New Jersey for hunting and fishing, hiking, picnicking, camping, and similar outdoor recreational purposes.

We do not feel that the language as now used in this Act offers sufficient guarantee of such recreational use. The Legislature intended such public recreational use when they inserted paragraph 23 of this Act. The sportsmen realize that it is the intent of the Governor and the Legislature to permit full and reasonable use of the land and water to be acquired under this Act for every reasonable recreational use, but the State will have little control over authorities or commissions that will manage the property to be acquired. There is a long history of publicly owned lands used in our State for public recreation, used either directly or through devious means, including the charging of exorbitant fees for permits or licenses for such recreational use by the public.

As stated by Mayor Roach, the record of the North Jersey District Water Commission is not good on the use of their holdings for recreational purposes, and we want to offer a legal safeguard in the future to protect the people from the further abuse of public trust.

The Sportsmen ask that the principal intent and purpose be spelled out in this bill in such a manner as to make it legally possible for the people of New Jersey to successfully challenge and discourage future commissions or authorities from denying public use of such lands and waters as intended by the creators of this Act.

The Sportsmen have for your consideration a resolution which we will later submit as a suitable substitute for paragraph 23

of Assembly Bill 424. The inclusion of protection of the people of our State is not without precedent and for the sake of brevity, Gentlemen, we will transmit to the Clerk the paragraph referred to. Thank you.

THE CHAIRMAN: Ladies and Gentlemen: I regret that there are just a few who have not been called upon. Is there anyone here who feels he particularly has something to state to the Committee which it has not already heard. Otherwise I want to say that anyone who desires within the next ten days to file a memorandum with the Committee may do so and it will be read and studied along with the transcript of this testimony, all of which will be transcribed.

Therefore, I would like to limit this to at least one or two more speakers and then adjourn the meeting.

MR. NORMAN J. GRIFFITH: I am Norman J. Griffith, Freeholder, Morris County.

Gentlemen: In the years I spent in the Legislature here I regret to say that the Legislature dragged its feet on the question of Incodel. I came into the Legislature in 1942 and left in 1947, but it is still dragging its feet. The ball never left the 50 yard line. It has been tossed up in the air and down but nothing has been done about it.

It surprises me that a plan of this kind can be presented with the statement that it will be good for 10 years and a financing program offered that will go for 35 years. What do we do at the end of 10 years? We all know that we have to go to the Delaware. We may all after that - New York, Pennsylvania, New Jersey and Delaware - have to go to the Great Lakes. Why not sit down and get going on a program that will solve this thing once and for all?

I am not going to take long here but I do want to suggest that it is the same people, the same pressure group which has been working for years, who want the North Jersey District Supply to handle this program. I say to you Members of the Legislature - don't be hoodwinked. You have a responsibility to the people in the 576 municipalities in the State of New Jersey. Don't shirk your responsibility. You can be reached by the people in the municipality but the North Jersey District Water Supply Commission could never be reached by them. It is your job. It is the job of the Water Supply Commission. But when it comes out of there you can say goodbye. You can see all kinds of things happening. It is a program incomplete and hurriedly gotten together. And I say to the Legislature - you've got a job to do, give it a lot of thought. We are going to fight it in Morris County. Thanks a lot.

(Applause)

THE CHAIRMAN: The Chair will recognize Edwin K. Large, Jr.

MR. EDWIN K. LARGE JR: I am County Counsel for Hunterdon County and I feel we have quite a concern in this matter. I am Legal Adviser to the Hunterdon County Board of Freeholders, two of whom - our Director, Mr. Butler, and one Member, Mr. Dalrymple - are here also. I will concern myself primarily with points of interest to the Freeholders.

Obviously, if you take Round Valley away from us, you will decrease the area of Hunterdon County by a few square miles of our best farmland. We are told we will be compensated for this in the form of a recreational area. Well, inasmuch as the level of the reservoir will drop during the very months of recreational use we can't take much stock in that proposition.

Now, we realize that we are a small county and we don't have a great deal of political influence, and that if the larger counties decide to take our Round Valley away from us they may be successful. Therefore, what I am about to say is not to be taken in any sense as an endorsement of any bill because we are opposed to any bill that will take Round Valley away from us, but if, in spite of the opposition, you gentlemen do pass a bill which will have that effect, the Freeholders are particularly interested in three points:

1. We do not feel that the Hunterdon County Taxpayers, as such or as Taxpayers of the State of New Jersey, should have to pay in any way for their own loss. We feel that the revenue for the project should come entirely from the sale of the bonds and from the use of the waters, the sale of the water. We feel that the State should not guarantee the bonds. We feel that there should be no State aid of any kind. In either of those ways you would be burdening the taxpayers of the State and the taxpayers of Hunterdon County and we do not feel it is proper when only a small area of the State will derive the benefit.

2. We will lose a substantial area of our County as a source of taxation. Now, the bill does provide remuneration to the County of Hunterdon and the municipalities to make up for this. We urge that the provisions be timed not only to existing ratables but that provisions take into calculation a future inflation. We have had inflation in the last 10 years and we might have in the next 10. We feel that the compensation base should rise in the event that the assessments arise, so that they will not remain frozen on the basis of the present financial situation. We also feel that the base of compensation

should go up with the tax rates in the area in the event the tax rates go up.

3. As to the roads through the area, you will be taking one of our main county arteries. We feel the Board of Freeholders and the municipal committees should be permitted to designate the roads which will be built to replace those roads which are being taken away. We feel in the area bound by Route 28 - Route 69 and the Flemington-Whitehouse Route and the Stanton Route, the County representatives and municipal representatives should be permitted to state what roads you, at your expense, not our's, will put there to replace the roads that are being taken away.

We feel that the bill should give us these protections.

Now, Mr. Chairman, there is a lower riparian owner here, Mr. Lechner, whom I think should be given a few minutes of your time in order to state his views as such.

Thank you.

THE CHAIRMAN: All right. This will be the last gentlemen to address us and I reiterate that any further help to the Committee will be appreciated by filing the same in written form with the Judiciary Committee. State your name, please.

MR. ROBERT LECHNER: My name is Robert Lechner. I represent a group of 110 families on the Prescott Brook Watershed which includes Round Valley and the Watershed of Prescott Brook.

Over the years we have developed this Watershed. We have reforested it. We have relocated barns, septic tanks, manure piles, and dumps, so that this Watershed would supply Prescott Brook with good clean water. Now, along Prescott Brook a number of small businesses

have developed and we are wondering what is going to happen when this dam is put across the Brook. We are wondering whether they are going to flood us out or whether they are going to dry up the Brook. The members on the Brook don't feel they will be compensated by the sale of their land because they are running businesses.

The next thing - our group from North Jersey changed their plans very fast this morning. They spoke about putting a pumping station on the Raritan River at Hamden but they did not tell that that would flood out the farms back of Hamden in the Clinton area which already has a flood problem - they didn't tell us that.

Now, if this thing is going to go through, we feel that the needs of our particular area should be taken care of. In other words, Hunterdon County has a water problem. Industry is coming into Hunterdon County. New York is moving closer to Hunterdon County every day and we do not want our water taken out at a time when we can see that in the not too distant future we will have use for it.

We will go along with Wes Lance and Assemblyman Bowkley, with the Bowkley Bill, and with the statements the Senator made this morning. And we hope, in fact I would like to invite a few Assemblymen up to look the Valley over - it might be a good idea to fish in one of our streams, then you would probably hesitate to do the things you plan to do with Round Valley and the Prescott Brook Watershed. I understand water can be gotten other places and I think it behooves this group to look in other places for this water. Thank you.

THE CHAIRMAN: The Committee will stand adjourned.