

P U B L I C H E A R I N G
before
SENATE ENERGY AND ENVIRONMENT COMMITTEE
AND
ASSEMBLY ENERGY AND NATURAL RESOURCES COMMITTEE
on
S-1610 through S-1614
(Water Supply Legislation)

Held:
February 24, 1981
City Council Chamber
City Hall
Vineland, New Jersey

MEMBERS OF SENATE COMMITTEE PRESENT:

Senator Frank J. Dodd, Chairman

MEMBERS OF ASSEMBLY COMMITTEE PRESENT:

Assemblyman John O. Bennett

ALSO:

Algis P. Matioska, Research Associate
Office of Legislative Services
Aide, Assembly Energy and Natural Resources Committee

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SENATOR FRANK J DODD (Chairman): Ladies and gentlemen, I would like to call the Senate Energy and Environment Committee hearing to order. I would like to call on Mayor Patrick Fiorelli, Mayor of Vineland, New Jersey.

MAYOR PATRICK FIORELLI: Senator, I would like to thank you for coming here to hold this hearing. As you can see, we have a full house. They say you can't hear in the back of the room. They usually tell me to shut up, so this is an extreme today.

I think you will find a cross-section of agriculture, industry, and private people here, who are concerned with these bills, with the purpose of the bills, with the intent of the bills -- maybe some of our fears are false; maybe some aren't.

You have a list of speakers, and I might add right now that the list of speakers that are scheduled is quite lengthy, and because of the time the Committee will have, there may not be much room for other speakers. We will have to wait and see what happens at the end of the day. But, Senator, I do want to thank you and I will turn the meeting over to you. Since I will be testifying later, I don't think I should be sitting up here.

SENATOR DODD: It is easier to have two targets than it is to have one. Thank you, Mayor.

Ladies and gentlemen, we are here today on a package of five bills that deal with the long-term water crisis, essentially in northern New Jersey. The direct impact for southern New Jersey is the Delanco Intake portion. There are fears that we know are here and that is why I believe there is such a turnout today, and that is why there is such a degree of correspondence that a great many of you that are in the audience today have sent to myself personally and to our committee.

We will attempt to get to as many speakers as possible. We have a formal list of 24 speakers who have signed up in advance. There is an equal amount of people who would like to testify. What I am going to ask you to do during one of the breaks is - and we will coordinate this with Algis Matioska, the committee aide - where possible, to consolidate groups who have messages to give. Where we cannot physically get to everyone, we would like to hear from groups of organizations. You, in essence, are being requested to select a spokesman. That, perhaps, can help us to expedite the hearing on that basis.

Let me put one fear to rest, which I am sure is of great concern to all of you. Paragraph 24, Section (a) of the Pinelands Act - this is not the bills before you - was written two years ago, during the drafting of the Pinelands Act, at the request of South Jersey, and rightly so. It states: "Nothing in this act shall be construed to authorize or permit the exportation of any ground or surface waters from the Pinelands area." Now, that's in the law.

Aside from the law, to take any ground or surface water from the Pinelands region in any way, shape, or form would destroy the purpose of the preservation of the Pines - and there are disagreements on the reasons and the expense and what not; and we will agree to disagree on that. To ship that water anywhere cannot be done for several reasons. First of all, it would make the entire Pinelands region a virtual desert by drawing up vegetation, and the wild life, and it would absolutely kill the agricultural community. That is a.

By taking any degree of the delicate balance of fresh, surface,

or underground water from the Cohancy Aquifer, or any if its tributaries, would then stem the flow of fresh water out into the marshes, which does two things. The marine fisheries, the oyster beds, and the clam beds, the delicate balance of the brackish waters that support different parts of marine life, would be absolutely destroyed.

And, thirdly, and most importantly, it would allow the salt water to then enter and to intrude into fresh water acquifers, contaminating them possibly forever.

So, those are a big part of the concerns here today, and I hope that will help to alleviate some of the anxieties that I know you must be experiencing.

The bills that we will be dealing with and hearing testimony on are not written in stone. There is nothing in these bills -- and, again, we can include the same language -- to be misconstrued as a well tax, or a tax in any way, shape, or form, on your use of your water. Let's make that clear. Nothing in this package-- And, we will rewrite the bills; that's why we are here; that's why we are having the public hearings throughout the State of New Jersey, to get input on them. The bills are actually a starting point. I do not like the portion where it authorizes the Department of Environmental Protection to regulate the water utilities, and in consultation with other members of our Joint Committee, we may be well going towards an independent authority to regulate. This generally applies to northern New Jersey and not to the southern portion.

With that, I would like to call upon the Director of Water Resources for the Department of Environmental Protection, Mr. Arnold Schiffman, for a brief explanation of the package, especially as it applies to the Delanco Intake. He will address also the portion which I am sure you fear, again, and that is any type of tax on water.

A R N O L D S C H I F F M A N: Thank you, Senator. I will give a very brief overview of all the bills, since they are up for discussion. I will start in order. I will use the Senate bill numbers for convenience. I will start with 1610, that is the Water Supply Bond Act of 1981. That is broken into several general projects. I will go over them rapidly. Ten million dollars is the for construction of a multiple exchange facility at Great Notch. All that is, is that it is an area where major water lines in the northeast, in the Totowa-Paterson area, come physically close together -- four major water companies -- but they are not connected, and they have to be connected.

The next item is sixty-five million dollars for grants or loans to water purveyors to rehabilitate or repair damaged water supply systems, and to consolidate inadequate water supply systems. We have a lot of systems that are old and they leak. This is only a portion of the money necessary for repair. Our plans indicate that three to four hundred million dollars are needed in the State.

The next item is eighty-five million dollars for the design and construction of a pipeline to move water from the state reservoirs - Spruce Run-Round Valley - from the Raritan River Basin into the Passaic River Basin. There is an excess of capacity in the state reservoirs and it was always intended that the water move into the Passaic Basin.

The next item is for the construction of the Manasquan Reservoir.

This is forty million dollars, and it is basically Wall and Howell Townships. The project is to meet the demands for water in, basically, Monmouth County and portions of Ocean County. A lot of our resort communities at the shore use ground water and their aquifers are being overpumped. This will relieve some of that stress on the ground water for the surface water supply.

Another item is fifty-five million dollars for the construction of a reservoir and force main in the Raritan River to increase the capacity of the state reservoirs, to deal with future drought and other emergencies.

The next item is lumped together. It talks about Hackettstown Reservoir and the Delanco Intake, and that is ninety million dollars. Hackettstown is not a water supply facility. It is a local augmentation to the Delaware River to meet some of the state commitments in that river. The Delanco Intake is related because that is a project that would be at Delanco with the removal of twenty-five million gallons a day from the Delaware River of surface supply to relieve the stresses on the Raritan-Magothy Aquifer, which is being overpumped. That project would relieve present estimates of inadequate supply of about five million gallons a day to 1985, and it will deal with the future to the year 2,000; that is what is estimated to be the need for water in this area. That is not just the City of Camden; it is the Camden metropolitan area that we are talking about. That is the Bond Act bill.

The next bill is called the Water Supply Management Act. This act is an estimation of existing statutes which are inadequate and somewhat rigid. It is proposed to replace them with a comprehensive water supply law which will allow the state to implement the water supply program to insure an adequate quantity and quality of water for the present and future needs. It will strengthen the existing permit system and its enforcement and emergency response capabilities, and it will authorize the consideration of water quality concerns in making water supply decisions, which is not always done at the present time. It will replace several existing permit systems by establishing a strong, uniform permit system for all diverters of water. The permits will contain appropriate conditions concerning diversion, conservation, quality, and use of the water diverted. Permits will be for a fixed time period and can be modified. In addition, the act will terminate unused grandfather right privileges and bring all grandfather privilege-holders within the permit system. Holders of grandfather rights that are now being utilized will retain the quantity of water that they now utilize. Most of this is existing law that is being modified. The act gives the state the authority to plan for emergencies and the power to adopt regulations and issue orders to alleviate emergency situations. Some of that authority exists now, but it is weak. The plans, regulations, and orders are to cover both water supply and water quality concerns during emergencies. In addition, permits may be modified during emergencies. The state will be required to consider water quality and conservation in all water supply decisions.

The act also authorizes the state to adopt a uniform fee schedule to raise sufficient revenues to cover the administrative costs of the regulatory program under normal circumstances, but it is not to deal with construction costs or any water supply state aid costs.

Finally, the act abolishes the Water Policy Supply Council in order to reduce the time delay in processing water diversion permits and to increase the efficiency and flexibility in managing the water supply of the state. The

Water Policy Supply Council is 70 years old. It operates within the Division of Water Resources. The limited staff support to the Council is by the Division of Water Resources, and the authority to approve the Council's action is delegated down to the Division of Water Resources, which is myself. So, what you have is inadequate resources in dealing with water supply. The resources of water pollution, largely funded by the federal government, is at least ten to one over water supply. So, we spend a lot of resources on water pollution and very little on water supply, and this is not uncommon in eastern United States.

The next bill, Senate 1612, is the State Water Supply Utility Act. It establishes a state utility with the power to plan, finance, acquire, construct, and operate water systems where the responsible public or private entity has failed to take actions required by orders issued by the state or the legislature, if it has authorized any construction and operation of a water supply facility. Most people don't realize that in a sense there is a state utility; it is within the Division of Water Resources, and it operates the Delaware and Raritan Canal Transmission Complex and the Spruce Run-Round Valley Reservoir Complex.

This bill would fully implement the utility concept of water regulation. All water companies, whether public or private, should be subject to economic regulation, rather than just part of the company sector, as is now the case. This is to ensure the fiscal soundness of all such systems, and to require adequate capital planning to eliminate future crisis.

Senate Bill 1613 carries this one step further, and it would authorize the Board of Public Utilities to manage all state and local government water suppliers as self-sustaining utilities over the long run. It would provide for a self-sufficient, businesslike utility operation by state and local government water purveyors as now provided by invest-owned water purveyors. Only the invest-owned water purveyors are regulated by the Board of Public Utilities, and in the State of New Jersey we have six hundred and eighteen purveyors -- at least that's what it was the last time I counted -- which is more than the number of towns and municipalities we have. About half are publicly owned, and about half are privately owned. About 60% serve less than 1,000 customers, or connections.

Senate bill 1614 would empower the state department to order a capable water company, municipal utilities authority, or municipality within which an incapable or inadequate small water company provides water to acquire that inadequate water company and make the improvements necessary to ensure an adequate supply of potable water to the customers of the small water company. This may be done with consultation with the Board of Public Utilities. What we have is small, inadequate water companies that are failing. The Division of Water Resources orders them to do things; they can't; and we are in a position of having inadequate water supplies, and people get angry because they want to know why it takes two years sometimes to deal with water that is basically undrinkable without boiling it.

That is a brief summary of all of the bills, Senator.

SENATOR DODD: Mr. Schiffman, what has the recent rain done for the water supply in our state?

MR. SCHIFFMAN: Right now, I think we should realize that when it rains you get a delayed response to the filling in of our reservoirs. I would estimate right now that the reservoirs of the northeast have been half

filled. The New York City reservoirs are about fifty-five percent filled. Normally, reservoirs in the northeast would be 100% full and spilling at this time of year, under normal conditions. So, we are a little better, perhaps, than the drought of the mid-'60's, when we were recently much below the level of the drought of the '60's. During the drought of the mid-'60's, the levels were about 60% going into the summer, and demands were lower at that time. If we are not 100% going into the summer, we are still in serious trouble. So, we are still in serious trouble until we have 100% full reservoirs.

SENATOR DODD: The salt water intrusion on the Delaware River -- how far up river is that, as it relates to Camden?

MR. SCHIFFMAN: That's been pushed back by the recent rainfall, so that is not a concern. If the flows keep dropping, then it would become a concern again. But, right now, with the rain, plus the releases from the New York City Reservoirs, that salt front is being controlled. Frankly, we are doing a good job of controlling that salt front. So, it is way down.

SENATOR DODD: So, the water flows in the north certainly have a direct impact on the southern portion of the Delaware and the tributaries?

MR. SCHIFFMAN: That's correct.

SENATOR DODD: Thank you, Mr. Schiffman.

I would like to call Assemblyman Jim Hurley.

A S S E M B L Y M A N J A M E S H U R L E Y: Thank you, Senator Pat Dodd, and Director Schiffman. I appreciate very much your bringing your committee hearing to Vineland, and to the southern part of the State. I think perhaps I will identify myself as James R. Hurley, Assemblyman of District I, Cape May and Cumberland Counties. I will repeat, since the microphone wasn't on, how much I appreciate Senator Dodd and Director Schiffman coming here today and allowing the people in the southern part of the State to participate in what I hope is a continuing effort to involve the public in the water policy of the State of New Jersey. I am certain there are expert witnesses here today who will address, in detail, the pros and cons of each bill in this package, from their own perspective. My role is to comment more generally and perhaps more philosophically on them.

For one thing, this package calls for the expenditure of over one-third of a billion dollars, and that amount alone ought to cause comment and elicit public testimony because it rivals many of the huge federal water projects in the western part of our country. We are indeed fortunate, I think, to have had rain in the last several days, and to be holding these hearings without a gun at our heads, so to speak, even though Director Schiffman says the reservoirs are still 50% full. I think the gun of a continued drought places this entire hearing and all of our conversations about water policy in this state in the light of acting in a panic state, under emergency conditions. We need, I feel, cool and reasoned logic to discuss the water problems of New Jersey.

The legislature has already appropriated twenty eight million dollars, as I recall, for emergency projects, and reports indicate that pipes had already been ordered and work had perhaps even begun before the money was approved, and I think we need to avoid that impression -- not just the impression but the fact -- in the eyes of the public that the crisis has spawned a situation where credibility is being questioned by people who are saying, "Who got the

contract"? "Are you creating patronage jobs out of this"? And, "Are there patronage contracts that are simply created because there is a drought"? I think we ought to put that aside, and hopefully the rain of the last few days will enable us to look at this in less of a panic state. Because this water problem didn't just happen.

A few weeks ago, in the New York Times, there was a full page that explained to us in detail what this was all about. I asked Director Schiffman today if that paper were accurate in its description, particularly of the reservoir problem of northern New Jersey. He indicated that it was. It was an accurate description of that. So, it happened over a period of years, and I have been in the Legislature for 14 years, and I can tell you that the last time we really dealt with this problem was the last time there was a drought. I think as a legislator I want to come not only to you, Mr. Chairman, and to the members of the Committee, but I want to come to the public and say, "Let's not forget about our plans. Let's make our plans and let's make them properly. But, let's evaluate every project fairly and then let's do it. Let's create the atmosphere that does not let a decade pass without action and without anything being done that would alleviate this problem." In north Jersey, in particular, as I mentioned earlier, the reservoir system has not been properly prepared.

For example, one of the problems with the package of bills today is that the Capital Needs Commission has failed to support S-1610, and what they have said, because there are so many specific projects in there, is, "Come back to us with specific projects, and let those projects stand or fall on their own merit." Frankly, I endorse that feeling of the Capital Needs Commission, having served on that Commission for several years.

S-1611 causes us some concern because it allows the New Jersey DEP to develop a permit system. Now, that on paper doesn't sound bad, and even when you say it it doesn't sound bad. But, while public opinion - and I know, Mr. Chairman, that you have spoken to that today, about a well water tax, or a water tax - beat down an attempt for a water tax, as advocated by the Master Plan Consultants, this bill could, in my opinion, in the future, give DEP a back door opening to come and adopt a permit fee that would, in fact, be a water tax, or whatever you want to call it, and that, sir, in this part of the State, and I suggest elsewhere, would not be in the public's best interest. Farmers and other interests, including industry, want to make it clear to you that agriculture must have its water rights. Agriculture water rights cannot be diverted, or allocated, or reallocated. The exemption, for example, in here for agriculture, in my opinion - and I am a layman - is not enough because I have been told that pumps, irrigation pumps, pumping 500 gallons per minute, very often work six hours in the summer, and if you multiply that out, for just one pump that is 180 thousand gallons. And, to provide an exemption under 100 thousand, I would think you would agree, is not reasonable, because agriculture is responsible for a vast majority of the ground recharge of water in the southern part of the state particularly, but I would suggest all over the state. Agriculture is responsible for a great deal of open space that is so extremely important to our conservation of water. Agriculture is involved in preservation, and I am sure people are going to speak in more detail to that, so I don't want to belabor that point.

I want to move on to the bills creating the State Water Supply Utility, and giving BPU jurisdiction to set rates, and the ones enabling, in my opinion, small water companies perhaps to be gobbled up. My fear here - and I bring this fear to you - is, I fear that centralization of power is inherent in this bill, and the public's experience with DEP is not very good when you put any kind of legislative power in their hands. What I am fearful of is that we will have a super utility. We have had conversations in this part of the state, as you know, about a great number of super agencies -- Pinelands, CAFRA, Dune and Shorefront Act - and we don't need any more super powers in the southern part of the State. I doubt that we need them anywhere. So, I urge you, with all caution, to watch out for something that may be in this bill that may not be obvious to you, but that gives the DEP the power to create a super utility. We would then have a great deal of trouble, as you know, sir, in dismantling it, just as we have had in our adoption of the administrative code in New Jersey. We have had a great deal of trouble in toning down or dismantling that administrative code to allow the people, particularly the legislators, to have a voice again in the rules and regulations promulgated by the departments of this State.

I have a number of questions that I would like to pose to you, not for you to answer, but rhetorical questions that I would hope your committee will address and that people from the Department would address. Some of these are specific.

Why have you asked, for example, for projects such as the Raritan-Passaic Project, and the Hackettstown Project, when it is not recommended by the Water Supply Master Plan? I am sure, sir, in your committee, you have already thought about that or addressed that.

I want to ask you on the public record why isn't the Loan and Grant Program more extensive? For example, and you have seen this in the public media in recent days, studies have revealed that as much as twenty-eight percent of some towns' water is leaking through the pipes. There are, in my opinion, immediate needs.

SENATOR DODD: That is part of the bond issue, that would go to the older water systems in particular urban areas, and they would be repaid over a long term period. That is part of the bond issue, and it is quite accurate.

ASSEMBLYMAN HURLEY: Okay. I will repeat again, I don't want to be repetitious here but I just want to make the point that under 1611, DEP's authority in an emergency is literally unchecked and the definition of emergency causes some people some concern.

That leads me to a question. Don't you think it would be wise to reestablish the Citizens Water Policy and Supply Council, to have some sort of oversight in these times? Even if it had no emergency role before, it may be a good idea now.

SENATOR DODD: Jim, I will answer the questions I can, and I will leave the other ones rhetorical. The emergency powers, as of ten days ago -- the north was down to 30 days or less. Now, if we hit 20 day's water supply-- And, that was the rearranging of the pipelines, it was just to make sure that everyone, or as many people would run out together; it didn't add a drop of water, nor do any one of these bills. But, the emergency powers were granted for the closure of businesses. Now, we were talking in plan A of the phase-

out, of closing down industry to the tune of tens of thousands of people who would be put out of work. This, again, would be in the north. This wasn't your district here. But, that is why the emergency powers were needed.

ASSEMBLYMAN HURLEY: I understand the need for the emergency powers; I simply ask you to consider reestablishing that Citizens Water Policy Supply Council, to have some sort of a role, even in an emergency. I recognize the difficulties inherent in getting people together during emergency times, etc.

Some things in these bills seem all right when taken individually, but when seen in the light of the provisions of the whole water package, they are problematic. For instance, under S-1611, DEP may force the sale of a small water company to a large company. Under S-1613, a state water utility is created to manage the state owned water supply projects. What is there to prevent DEP from requiring a small company to sell out to the state utility? I think this may very well be an unnecessary intrusion of the state into the water business.

SENATOR DODD: That's why I and other members of this Committee are leaning towards an independent commission. That would be made up of citizens, agricultural people and the utility companies who would have the expertise to advise.

ASSEMBLYMAN HURLEY: I appreciate that, and I appreciate the remarks that you made here today. I didn't know about that at the time I prepared my remarks.

I do want to make one comment about the control of DEP. Of course, DEP has the authority to mandate interconnections, and wheel water from one place to another. I ask you the question, what incentive is there for efficiency on the part of some private companies, which in my opinion encourage conservation, to wisely develop their resources? That, I think, is a big fear that should be in the minds of your committee. Some of the smaller water companies, even some of the larger water companies, and certainly some of the private water companies, have been effective, in my opinion - I may be wrong on this - in encouraging conservation and in developing resources. I think the history of the state is not good when it comes to the centralization of power and development of conservation or development of resources. How can there be effective competition between the private sector if the state is going to create its own utility? That is another question. What evidence has DEP provided that small water companies have mismanaged their resources? I suppose that goes with some of the previous remarks I have made.

There is apparently no oversight of DEP's actions to order the sale of a small company, or the takeover of one. Shouldn't there be some oversight, some standards for such drastic measures as taking over a water company? These are problems that I would hope your committee would address, and I am sure you have addressed many of them already.

In summary, Mr. Chairman, let me just say that I fear the package of bills because of an extension of power to Trenton, a centralization that I think has been proven over and over again, and certainly in the last three to four years, is not an effective and efficient way to go. Some words that come to my mind that cause me some concern here are words like mandate and rate setting, and super utility, and eminent domain - which means takeover. I guess the largest thing, and the thing you have to be more cautious about

is the fact that one-third of a billion dollar bond bill, which really is a huge - and could be, sir - pork barrel. I think the utmost caution must be in your mind and in the minds of this committee before you report it out, because this has to be one of the largest expenditures of money, certainly for this purpose, in the history of the State of New Jersey, and it deserves the attention and concern of all of us.

I thank you for allowing me to testify.

SENATOR DODD: Jim, you made excellent points, as you have for the 14 years that you and I have served together in the Legislature.

The bills we have before us are not new; these are 20 years old. After the drought of the '60's, these bills were drafted. You know, we didn't realize that the thing we take for granted is water. We take water for granted. We always have it. We turn on the tap, and it comes out. That's all you have to know. And, during the drought the last time, these packages were put together, projects that should have been done probably 20 years before that. But, what happened is the rains came. The reservoirs filled up, and you couldn't have had a \$100 bond issue pass in that time. Now, is this going to happen this time? And, there is nothing in this package of bills again that would add one drop of water to the State's current problem. But, the drought this time helped highlight the problem. These bills are not going to be rushed through because if they do pass, they cannot go on the ballot until November in any event. So, there is no rush on this package. They don't do a thing for the current situation.

But, we have over 600 water companies in a state that has 570 municipalities. Water rights -- you know, people have wars over water in the West, and possibly some of our neighbors here, when someone diverts a little part of a stream or a river upstream, and the farmer downstream doesn't get it, or someone drills a well that angles into somebody else's property -- you know, people kill over these things. So, there has to be some guidance on who can take what for what reason. Agriculture should be number one. You made that point, and it is certainly the best point of the day. Without agriculture, we don't have open space, and without farmers we don't have food. That is a very simple basic thing. You don't have to be too smart to figure that out. Maybe that's why I am in politics, or both of us are, Jim.

But, these things have to be addressed, and if we don't do it this year, when the drought cycle comes around ten years from now, and again nothing has been done, we will sit around scratching our heads saying, "Why doesn't government think ahead; why doesn't government plan a little bit for the future?" Now, the package that we have -- they are flawed. There are problems. You have problems with them. There is specific language in there you don't like. Algis pointed out to me that you were right, one hundred thousand gallons or fewer; you pointed out a very vivid point, that one basic pump-- I visited the Haines Farm during the cranberry season, and I was at the Thompson Farm. So, I am not unfamiliar with seeing these pumps in the cranberry bogs in operation, and also some of the agricultural centers in south Jersey. This isn't new to me.

Now, that is a very valid point. One hundred thousand is not realistic. Maybe there should be no restriction, or maybe there should be some if it affects a neighboring farmer. These are all of the interplays that interface with each other, and we have to address them. I don't have the answer today;

that's why we are here. If I knew all the answers, I would stay home.

ASSEMBLYMAN HURLEY: May I just make one comment? As a legislative leader, I don't want you to get the impression that I am not in favor of a bond issue to address water problems. The days of the 1980's are a lot different in the legislature than they were in the 1960's. I think the media, plus our own realization, plus the establishment of such things as a Capital Needs Commission has enabled us to pinpoint our capital needs and to pass bond issues. We have had great success in this State because the questions that have gone on the ballot have been valid, realistic, well thought out, and well planned. I am certainly going to support, if at all possible, what your committee comes up with. I am just suggesting that we use the vehicles that we have ourselves created to put this before the people. I think that we will not forget the problem and we will address it in the 1980's. So, I would hope that you will not take my remarks as being totally negative on this package of bills. Thank you, Senator.

SENATOR DODD: Thank you, Assemblyman.

I'd like to call John Reinard, Freeholder of Cumberland County. Freeholder Reinard has made me aware, in advance, of some of the problems. He didn't wait just for today, and he is part of the reason we are down here today.

F R E E H O L D E R J O H N R E I N A R D: Good morning, Senator. I appreciate your coming down, and on behalf of the Board of Freeholders, I welcome you to Cumberland County. We particularly appreciate the opportunity to attend this hearing. As you just indicated, you and I have spoken on several occasions about some of the problems, and I have some understanding of your bills, as they are proposed.

Permit me to read a statement in the interest of time, brevity, and accuracy.

For the record, my name is John R. Reinard. I reside at 3055 Dante Avenue in Vineland. As Cumberland County Freeholder, I am here to give testimony on various bills that are pending.

As you undoubtedly know, we here in the southern part of the State often feel ignored or left out when it comes to having input and dialogue with our state government in Trenton. As an elected official, I feel both duty and obligation to all of the industries of Cumberland County, but this morning I will concentrate primarily on the largest single business in our county, which is agriculture.

Since I have been informed that testimony will be given by those who represent the food processing industry, the glass industry, and others during the day, I will confine my remarks to agriculture.

May I state at the beginning, that I am very familiar with the bills, Senator Dodd, and I realize that New Jersey, being only one of five states that does not have a comprehensive statewide plan of water regulation, should develop a plan. However, I do not believe that any plan should be developed without large amounts of input from southern New Jersey, with particular attention paid to the effects of such a plan on the industries of southern New Jersey.

As the representative from the Cumberland County Board of Freeholders to the New Jersey State Association of Counties, I have brought to the attention of the legislative committee on which I serve your bills, Senator. In their present form, the New Jersey Association of Counties has gone on record in

opposition to S-1611, S-1612, S-1613, and S-1614. Of course, in conferring with you, I realize that you said these are not written in stone and that is why you are having this hearing, so that you will have our input.

I have copies of these bills with me. Permit me to digress for a moment to read paragraph 2, on page 4, which I think is of the biggest interest to those concerned with agriculture. It refers to the amount of water diverted per day by people engaged in the business of agriculture. Incidentally, Senator, this will be addressed by the President of the Board of Agriculture of Cumberland County later.

SENATOR DODD: That is diverting the 100,000 gallons, or fewer, per day?

FREEHOLDER REINARD: Yes. I quote: "This is not requiring any person diverting 100,000, or fewer, gallons of water per day, or any person engaged in the business of growing agriculture crops or raising livestock who diverts 100,000, or fewer, gallons of water per day to obtain a diversion permit." It is my understanding that on the average 100,000 gallons of water per day would irrigate approximately only seven acres of land. Now, I know that in further testimony this afternoon, the Board of Agriculture will address this in a more technical way, because they do have the expertise.

The agriculture business would hope for a complete exclusion from these bills. Farmers in Cumberland County are, for the most part, family farmers with modest acreage. They pride themselves on being frugal with everything they use. In fact, the farmer today who does not make every effort to conserve everything that he uses, finds it impossible to stay in business with the high and increasing cost of energy and materials.

In addition, this type of farmer finds that he faces increasing demands from government red tape, paperwork, and regulation. The farmer feels that he has been forgotten by the very government and the people whom he serves. I would like to think that we in government would look to the farmer as the symbol of what is right in America today, and do all that we can to buttress these hard-working individuals in their efforts to supply us with our needs. Let's not add to the already overburdened worker, the farmer, but let us rather consider how we can assist this vital industry, which is agriculture.

I thank you for this opportunity, Senator. Again, this is exactly, I think, what the people in the southern part of the state, in Vineland and Cumberland County, would like to have more of, and that is dialogue with their elected representatives in Trenton. Thank you again.

SENATOR DODD: Mr. Freeholder, we were just checking as you were speaking. We think it is the law now on that 100,000 or fewer. It has to be largely ignored. I have seen pumps in operation. So, to put that back in, I don't think is realistic.

Mr. Schiffman, why do we get that figure of 100,000 gallons?

MR. SCHIFFMAN: That's existing law now, and people in agriculture -- I don't believe anybody has had any significant problem with that for 50 years.

SENATOR DODD: Because nobody paid any attention to it.

MR. SCHIFFMAN: No, the permits are issued, as far as I know.

SENATOR DODD: But 100,000 gallons a day, it was just stated by Jim Hurley before and again by the Freeholder, would only irrigate seven acres.

MR. SCHIFFMAN: That's not really the issue. I may as well address

this now. You are dealing with a water allocation system. Right now, the exemption - I don't like to use the word exemption because you really can't be exempt from an allocation system - is an existing 100,000 gallons a day. It is really an exemption from the administrative procedure. I cannot, as a water manager manage the groundwaters of a state which are not being managed well right now, without having a permit system that deals with all significant users - period. I would liken it to -- God forbid -- if we had gas rationing, and we had coupons for gasoline, and I was to say to you: "Well, you don't need any coupons; you fend for yourself." That's what any large change in exemption would mean. I would have great difficulty if I was not managing a comprehensive permit system in answering somebody who says, "What about this industry that is going to be built near me? It may interfere with my well." If it is not covered under the permit system, then it's not covered at all. The existing exemption, if you want to look at it that way, I have not heard anybody say that it has caused any significant problems. If you want assurances, then you should provide those assurances in a different manner in the law. An exemption doesn't do it.

If you were out West and you were to tell someone involved in agriculture that they would be exempt from the allocation of a water program, or a permit program - which is the only definition of a water right - I think you would have them take extreme exception to that. So, I would hope you would all focus on the issue, and the issue is protection of your rights.

If you want to get to the issue of unnecessary, overbearing administrative requirements, I would hope that you would address that as a separate issue, because the Department right now would not support any change to the existing law.

SENATOR DODD: The 100,000 does not seem realistic.

FEEHOLDER REINARD: Senator, if I may, I do have a more technical address to this, which will be in great detail. It will be given by the speaker to follow me. But, this is an excerpt from the Division of Water Resources Policy of Cumberland County's Board of Agriculture. And, I realize that there is some difficulty in taking something out of context, but they are addressing themselves by saying, "Water needed for agriculture land, depending upon the ambient temperature can range from one-quarter of an inch to one inch per day. At that rate, a 100,000 gallon per day exclusion, as set forth in Bill S-1611, is of little benefit to agriculture since it would only provide irrigation for a farm of somewhere between four and fifteen acres in size, depending on the crop and temperature." Of course, there are a lot of variables. "Farms of this size contribute less than 5% of the agriculture production in the south Jersey area. Therefore, this 100,000 gallons per day exclusion would contribute little to the preservation of a viable agriculture in New Jersey."

SENATOR DODD: I think Mr. Schiffman certainly makes a point. For your benefit, there has to be some degree of control. Now, we can argue about the figure, or the number of gallons, but I think the point as made is that if the shifting of huge amounts of water affects your neighbor, does your neighbor have a right? Now, these are things that should be discussed. The amounts -- maybe 100,000 gallons is unrealistic.

Mr. Freeholder, thank you very much.

FEEHOLDER REINARD: Thank you, Senator

MR. SCHIFFMAN: Perhaps to help you out a little, if you could address the issue of assurance of the permit, which I think is an issue of perhaps distress there, if I may be so bold as to say that, administrative permits cannot be refused for reasonable uses, and if you want to tighten the language, perhaps you should do that. But, I don't think you want to talk in terms of exemptions. I think that is the only issue. As I said, there has been a permit for at least 50, perhaps 70, years. And, that 100,000 is, I will grant you, an arbitrary number. One could make arguments that that is a lot of water. One could also make arguments that for an industry 100,000 is not very much, and agriculture is, after all, an industry.

But, I hope you would focus on the management issue, where the State, as has been noted, does not have a comprehensive management law. If you are talking about agriculture, as far as ground water goes that is a great use of ground water; a lot better than many other uses. Focus on the assurances, and don't focus on the exemptions, because I will tell you right now that the workload is such that anyone who is going to be exempt, I could make the argument that they are not entitled to administrative protection. And, what are you going to do when industry comes in and two people compete with one another? Whether it is pollution or whatever, you have to be part of a system, and focus on assurances that the system will not cause problems instead of exemptions, because I can tell you now that that won't work.

SENATOR DODD: I'd like to call on Mayor Fiorelli.

MAYOR PATRICK FIORILLI: Senator, in the interest of time I was only going to speak on S-1611, but I would like to make one comment on S-1610, on the funding and the \$345 million bond issue which goes on to say it is to repair or replace old antiquated lines, and so forth. The center of Vineland, the one square mile out of sixty-nine square miles, has a water system whose water mains average from 81 to 117 years in age. At one time, we calculated a price for the replacement of the water mains in that one square mile, and I am happy to see that \$345 million figure because that would take care of Vineland, but I don't know what you are going to do for the rest of the state. Whoever put these figures together was certainly very conservative, and \$65 million in grants is not going to solve anything. That's unrealistic as far as the figure is concerned, and I am not saying that I support that bill.

I would like to go on the 1611, which presents a problem, and I think we are going to have to designate here-- Arnold was talking about displacement of water, and so forth. You are in an area now which does not draw surface water to any great extent. We draw from the aquifers, the Cohancy and the Kirkwood. Very few farmers any more are using surface water, and even those who use it have a unique position in south Jersey. Let's say that a farmer has a pool supplied by a stream and he is pumping water out of it for irrigation. The fact of the matter is that 97% of the water he pumps is recharged into the aquifers. So, he is actually doing everybody a favor. Rather than having that water run down the stream into the river and become salinized water in two hours, he is putting it back into the aquifer. He is recharging. He is doing a favor in that sense.

Some of the things that people down here have done in agriculture over the years -- they have gone into a brick type irrigation system. They

have planted several crops under plastic -- putting plastic into the field; laying black plastic which retains heat and moisture under it; perforating that and planting the seed. It is an ideal way of saving, because of irrigation costs; because of motor fuels used and electricity. But, they conserve water in doing that. I think they have done everything they can here, but then in midst of the summer we sit in our living rooms and we watch television in the City of Newark or Paterson, and we see open fire plugs pumping 30,000 gallons an hour, down the sewer, into the Hudson River, or somewhere else, and it kind of makes your stomach grumble because we are working to save, and apparently somebody up there doesn't care. If you open a fire plug in Vineland, I will guarantee you that within 20 minutes it is closed. And, if you get caught, you have problems. These are some of the problems we have to deal with.

Recently, there was an article about a 20 inch water main that has been cracked at the end of Wall Street in New York. It has been flowing into the Hudson River for years, and nobody even cared. The problems created were by man. The solutions that we are addressing today go back further than the 1966 drought; they go back 50 years -- 50 years of poor planning in some parts of the State; 50 years of time where we should have been building water reservoirs to make up for the increase in the population, but because of the way we react in this country, the pendulum swings to extremes, the extreme environmental view and the extreme development view. We never stop in the middle. We worried about the fish and the frogs and the lizards, and everything else, which was fine, and we forgot the one creature in that vast wasteland that couldn't defend himself against anyone, and that was man, and we have to begin to think about man.

Getting back to the agricultural industry and to answer some of the questions brought up previously, just some figures -- a 75 horsepower, 6 inch pump, which is not uncommon in the irrigation of farmland, pumps 48,000 gallons an hour. Some of these pumps must run 24 hours a day. So, after 2 hours and 7 minutes, you are over the 100,000 limit. Even though it is in the law and it is not being enforced, it is not practical because we have been faced with surprises before, where someone comes down and says, "this has been the law, but we have never enforced it; however, it is there and we are enforcing it now." We would like that danger removed. We would like it removed from agriculture because they are recharging the system; it is not wasted. It is not pumped into a field and into a river and then lost in salt water.

Let me give you some figures that I obtained yesterday at 4:45, from the Delaware River Basin Commission on drought situations, and this is not the solution. The salt line in the Delaware River is below the Delaware Memorial Bridge, 30 miles downstream from where it was three weeks ago. Now, that makes us happy because another one of our industries depends on that. The breeding of the oyster industry is where the fresh water meets the salt. And, when the salt water line goes up river, we have problems if it is for any extent of time. We are concerned about that. The salt line is now 67½ miles from the ocean, and three weeks ago it was 97 miles up river from the ocean.

On Monday, the Delaware River at Trenton was 50% at flood stage, flowing 67,000 cubic feet per second, which is a lot of water, and that doesn't

count last night's rain.

As of yesterday, the New York City water reservoirs were at 55% of capacity, and on February 1st, they were at 25% of capacity. Now, I submit to you that this is not the solution, and it doesn't mean that if we get a lot of rain it is going to solve it, but I think you are going to have to define the difference between ground waters and aquifer waters. I think you are going to have to set two sets of standards, which may not be followed by some people in the legislature, but you have two separate conditions.

Let me give you a comparison. If you lived in a north Jersey community and you watered your lawn, the water would seep into a minor aquifer and flow outward to the east, to the ocean. South Jersey is unique. The water that originates in the Pinelands flows from the northeast to the southwest under this area. If you watered your lawn here, you would be recharging the aquifer. Now, that doesn't justify your watering your lawn as a symbolic thing in a drought condition. But, there are different conditions. There are different circumstances that come up and they have to be considered.

Right now, you are sitting four and one-quarter miles south of the drought line in New Jersey, only because I called DEP and the Governor's office and said that we have a different set of conditions, and the DEP officials agreed. We do not have the water shortage that they have north of us. I don't say that the Vineland City line is the particular place they should have cut it off; I don't know where you would define that.

When you are talking about surface waters in the metropolitan Camden area, you are talking about a sewer ban area. Well, obviously, you can't pull underground water. They have all sorts of problems. They have underground fires and buried dumps and everything you can think of. They are different than we are. They are still south Jersey, but they are different. I am not dividing north and south. I am saying that the legislation, if it is to be passed, has to address the two separate sets of conditions.

The agricultural industry -- you are talking about growing, fine. How about the food processing plants, where in the summertime the farmer grows his crop and has to send it to a food processing plant? Under 1611, under certain conditions, their water supply could be curtailed. That means that the farmer, although he doesn't send anything to food processing plants, would be penalized. He would be growing crops that he couldn't dispose of.

Another one of our agricultural industries, which is not addressed here, is poultry. There are in this immediate area something like five large poultry processing plants. We use extensive amounts of water. And, again, the water is recharged into the system through the sewerage facilities. It isn't dumped into a river, like some sewerage is. It is recharged. They have to be considered; they are agriculture. The poultry growers must have a place to dispose of his poultry. They are not addressed in this bill in any way.

I think the thing that I object to the most in this bill is the absolute control put in the hands of the Commissioner of DEP. Now, you refer to the Pinelands legislation. I know that amendment very well because I testified before you committee on the fact that water should not be pumped out of the Pinelands. But, I would like to read you a couple of things that are in 1611.

I refer you to page 2, line 1, in the second paragraph. It says: "The Commissioner shall have the power to adopt, enforce, amend, and repeal pursuant to the Administrative Procedure Act, which goes under the title, 'Rules and Regulations to Control, Conserve, and Manage the Water Supply of the State', and the diversions of that water supply to assure citizens of the State an adequate supply of water under a variety of conditions, and to carry out the intent of this act. These rules and regulations may apply throughout the State, or in any region thereof, and shall provide for the allocation, or reallocation of waters of the State, in any region thereof" -- including the Pinelands. Now, the question comes up: Which bill is stronger, 3016, which was the Pinelands Bill, or this? Or, do we, in the midst of a drought or something where we are penalized in the summer or where an order is issued, have to go to court to fight it and lose valuable time that we don't have?

SENATOR DODD: On that, anything can be challenged in the law. There is nothing that we can write or pass that will stand forever, as you know as a Mayor and an administrator.

MAYOR FIORILLI: Yes

SENATOR DODD: But, what cannot be challenged is common sense. If you take the water out of the Pinelands, you are killing the Pinelands.

MAYOR FIORILLI: You and I know that, but what happens when pressure is put on from cities, who have been wasteful, to have some of that water. Now, I say some of that water--

SENATOR DODD: They will simply have to go elsewhere, or make due with what they have, but they cannot take the water out of the Pinelands. I appreciate there is a lot of concern down here, but please refute, or explain, how it can be done without absolutely killing the Pinelands region. You know, we need common sense. We don't need any inflammatory things or straw men that we are putting up so we can knock them down. And, I know that is not what you are doing. You are addressing the concerns of a good many people in this room.

MAYOR FIORILLI: If that bill is to be passed, I think that should also be written into this, so that there is no conflict between the two bills, because you know yourself, operating under the administrative code almost anything can be done by passing the State Legislature and everyone else. Or, if this is going to be done, if this bill is going to be passed in whatever form, I would suggest that there be a one year oversight review, to determine at the end of one year whether or not the bill is accomplishing what it was designed for, or whether it is creating more problems.

SENATOR DODD: We have legislative oversight now.

MAYOR FIORILLI: Well, fine. That is something that we need very drastically on this. The scary thing here, Senator, is there is no designation of the Pinelands, and it could be a disaster to us for many reasons. First of all, you refer to drying up the Pinelands. Certainly, that would be done with extensive pumping. It would certainly kill the blueberry and cranberry industry, and the oyster industry. And, it wouldn't be too long -- and I understand the City of Cape May is experiencing some salt intrusion into their wells; we are probably 45 miles from the edge of the aquifer on one side -- it wouldn't be too long before our farmers would be pumping salt water out of their wells and we would be in the Saudi Arabian desert. If we were sure

we could find oil under it, we wouldn't mind it. But, at this time we can't afford to gamble.

So, I think what you are implying the agricultural people in this room want if this bill were to be approved, is that something be written in there stating exactly what is stated in the Pinelands Legislation -- that water cannot be transported over a ridge line out of the Pinelands. I think they would feel a lot easier about that.

As far as the exemption on the amount of water, the 100,000 gallons is a drop in the bucket. I would suggest to you that the agricultural user should have a total exemption. Right now, if he uses more than 100,000, he has to take out a permit, and he pays the \$100 annual fee to the Delaware River Basin Commission. But, even worse than that is the bookkeeping involved in it. And, of course, this bill provides for that because DEP needs figures. But, a farmer who gets up at daylight and goes out into the field and works, and tries to operate a family farm, and comes in at sundown, is not about to sit down and do extensive bookkeeping.

We talked, we have for years, about preserving agriculture in New Jersey; yet, it seems that in many ways, we go out of our way through State agencies to do everything we can to harass the farmer and put him out of business. I think we are going to have to realize that he is here. In the City of Vineland, the farmer is the third largest industry. He is the major supplier of these foods. Take him out of here, put the agriculture out of business in New Jersey and go see what your groceries are going to cost in the supermarket, because then everything will be from California and south of us, at a much higher price.

We ask for that protection. Honestly, I don't like the bill putting total authority in the hands of the DEP commissioner. That scares me. I have spoken to that on other legislation. I don't think that any -- and I use this word without trying to be derogatory -- person in bureaucracy should be able to write a set of rules that, in fact, become law, because the public has no recourse. If the law, or the rulings, were passed by the legislature and signed by the Governor, and we didn't like them, we would replace the members of the Legislature. We cannot replace the members of the bureaucracy. I don't think we need that.

I also find wording in here where uniform fees could be assessed by the Commissioner of DEP. That is scary because uniform fees, based on usage, could amount of an indirect tax.

SENATOR DODD: Would you subscribe to the premise that we do need a coordinating agency on a statewide basis?

MAYOR FIORILLI: Yes, but only if it is also administered by the local people.

SENATOR DODD: With local input?

MAYOR FIORILLI: Yes. Local, effective input, not with an advisory committee who has no capacity. With local effective input on what is to be done, yes.

SENATOR DODD: All right, we are talking the same.

MAYOR FIORILLI: I think that would work out. As I say, there are other things in the other bills that I disagree with, but I am sure that other people will have facts to bring up on that end. Again, I thank you,

Senator.

SENATOR DODD: Mr. Mayor, you've made a point. One thing as we go around, we have just finished the toxic waste bill, and we have done other major controversial legislation, and we have one rule, you just can't be against something. You have to give us an alternative. If you don't like the way they are written, if you don't like their intent, if you don't like what the mission is, give us a better way. That's is our only criteria.

MAYOR FIORILLI: I don't think in the five or six times that I have appeared before your committee I have ever done that.

SENATOR DODD: No, you haven't.

MAYOR FIORILLI: We came up with alternates. They may not have been workable or likeable to the committee, but as a representative of the Conference of Mayors or the City of Vineland we do not just oppose. We think there can be moderation.

SENATOR DODD: Mr. Mayor, has this committee been fair?

MAYOR FIORILLI: Yes, sir.

SENATOR DODD: In other matters?

MAYOR FIORILLI: It always has.

SENATOR DODD: That's just so I can get out of town today. (laughter)

Thank you, Mayor.

Mary-Ann Thompson, Independent Cranberry Growers Association.

MARY-ANN THOMPSON: In the interest of time, and because this is one issue all the cranberry growers agree on, I would like to yield my time to Bill Haines.

BILL HAINES: Senator Dodd, it is a pleasure to appear before you again. Once again, you have taken the wind out of my sails. I have come here from the wilds of the Pine Barrens, loaded for bear and, once again, I find a friend, and I find it difficult to scream and holler at a friend.

Just for the record, my name is Bill Haines, Jr., and today I am representing the American Cranberry Growers Association. We are concerned principally with Senate Bills 1611 and 1612, especially 1611.

You have been to our farm a couple of times, so you understand a lot better than probably any other legislator how we use water. We pump water for our operation, and we use surface water extensively.

I think nobody understands water better than a farmer. And, I don't think on a farm anybody uses water more than a cranberry grower. We have been concerned with water since we have been in business. I think the first cranberry grower started his operation in something like 1835. My operation, my family's operation - I am the fourth generation - didn't just get concerned a couple of months ago, or last summer with water; we have been concerned ever since we have been in business to insure that we have the proper quantity of water that we need, and the quality of water that we need. And, to that end, we have moved to protect our watersheds. That is one of the main reasons the Pinelands is in the shape it is in today.

The typical cranberry grower has ten acres of woodland and reservoir for ever acre of cultivated cranberrys. It is necessary for the very basis of our operation. You have seen it. A lot of people haven't. If I could just have the map a minute, I will show you. This is part of our farm. Right here there are approximately 500 acres of cranberrys. This is the west branch

of the Wading River. Just off the map, unfortunately, is the Oswego River. Together we go into the Wading River, the Mulica River, and on out to the ocean.

What my family has done, and this is typical to every cranberry grower, is to build reservoirs, dam off parts of the watershed, and hold that for use at a later date. Now, we don't restrict the flow of that water. When we achieve the level we need, that water continues to flow on through the bogs, back into those streams and on out into the ocean, as God intended.

We do several things with the water. Each of these bogs, this entire area is flooded right now. It is flooded from the first of December until, at the latest, May 10th.

SENATOR DODD: Which also must be balanced when you have early frost.

MR. HAINES: That's correct. When this water comes off in May, we are susceptible to late frost, right up almost until July. And, we have to flood to protect against the frost.

What we are doing now, just to show you that we are constantly looking for ways to conserve water--

SENATOR DODD: Okay. Just hold the back of that up. I just want to show that the Haines Farm is always advertising. No commercials here today. (laughter)

MR. HAINES: We are installing, and a great many cranberry growers are also installing, an overhead irrigation at a considerable capital cost, something like \$1200 an acre. But, we have a more efficient use of the water. We protect our cranberrys better and we use one heck of a lot less water during the summer to protect the crop from the heat, from the sun, from drought, and then finally in the fall, we flood the bogs to harvest. Anything we do for the other 25 weeks of the year are irrelevant if we can't flood our bogs in order to harvest our crop.

The point I am trying to make is, we are not using that water up. What doesn't evaporate eventually goes back into the same stream that we removed it from. All year long while we are holding it in our reservoirs, that water is being forced back into the aquifer. We are doing what the state wants to accomplish to recharge the aquifer.

I know Mr. Schiffman from the DEP said we shouldn't talk about exemption, but I am here to talk about exemption.

SENATOR DODD: Bill, does your farm obtain a diversion permit?

MR. HAINES: For our wells, any ground water that we pump, yes.

SENATOR DODD: One day I was down there and your father turned on an enormous pump. How big was that one pump?

MR. HAINES: That particular pump pumps 5,000 gallons a minute. So, in 20 minutes, we pump the 100,000 gallon exemption.

SENATOR DODD: Do you get a diversion permit?

MR. HAINES: Yes, we have a permit for that, and we have to quarterly file records with the DEP as to the amount we pump.

SENATOR DODD: Bill, just explain to this committee what is involved with the paperwork. You are a big farm and it could be argued, "okay, that's all right," but what about smaller farmers who work those 12 hour days? What is involved with the paperwork?

MR. HAINES: Okay. On this we just have to keep a log on the time that we-- What we do is, when we start it, we have a weir to measure the amount of pumping. When we turn it on, we note when we turn it on, and when we turn it off, we note that. Then, at some point in time, I have to sit down and figure out how many gallons we pumped. Now, this time of year we are not pumping water, and that is no problem. In the cranberry season you have to be very careful of how you regulate the flow of water in the bogs. We have about 50 men working for us during harvest time -- three picking crews and one at the packing house. One hand, me, spends practically all day and most of the night for seven weeks seeing that that water is where it is supposed to be. A lot of times we are pumping constantly, and I don't have the time to be fooling around with this record keeping. We do it the best we can, but it gets time consuming and it gets tiresome. But, I can't really honestly say as I stand here that it is an undue burden in that case.

What I am really concerned about is this bill also regulates surface waters. Now, it would impossible for us to keep any kind of records on the amount of water we divert from a stream and how we use it. A lot of these bogs were build on the tributaries that feed into the Wading River. So, who knows what the natural flow would be or what it wouldn't be. When we have to move, we move in one heck of a hurry. At frost time, there is very little margin for error. When we pump our irrigation systems -- sometimes we wait until 3 o'clock in the morning to start because with the cost of fuel there is no point in turning it on at 9 o'clock. You just have to stay up and wait until you need it. We have 17 different pumps that we have to start in something like an hour. I don't want my men fiddling around with a log on those kinds of pumps. These aren't wells, these are pumps for pumping out of the reservoir. I don't want my men fooling around, I just want them getting the water where it belongs in a hurry. And, a lot of times if we have a big rain in the summer, those reservoirs fill up in one heck of a hurry, and if we don't dump them through our safety gates, back into the stream, it goes over the dam and over the next dam and then over the next dam, and then into our bogs, and the next thing we know, we have one heck of a mess. So, that's what we are really concerned about with surface water. We don't think we should be dished out permits to divert that kind of water. And, we don't think we should have to pay for it either, because we think we are doing the state a service, not because we are especially noble, but because it is in our own best interest to do what we do with the water. The state receives a direct benefit from what we do.

I think the final point I want to make is to refer to 1612, where you set up the utility. We think that cranberry growers, or at least a representative of agriculture, should be represented on any commission or any kind of council that controls the state water supply, because we have a lot of knowledge about water and it is of vital interest to us.

Finally, I think Mayor Fiorelli covered this pretty well when he talked about agriculture. In the last six or eight years, there have been a lot of regulations on our land. Other regulations in these bills are on our water, quality standards and other things.

Labor regulations -- we are regulated in every aspect of our business. The farmers in New Jersey get the feeling that maybe the state of New Jersey

really doesn't want us here. I know when I testified before you on the Pinelands, we discussed loss of rights, and this and that, because of the Pinelands and compensation. I always get the argument, "Well, if you are only concerned about farming, if you are really sincere about farming, what do you care whether you can build on your ground or not?" Well, there are a lot of things wrong with that argument, but one of them is, "Well, how do we know the state really wants us here? What are we going to do when the state regulates us out of business"? And, I think that if cranberry growers - and I am speaking for the cranberry growers, because I was asked to represent them; but, this applies to agriculture in general - were exempted from the permit and fee schedule, it would be set up by 1611, and they would give us real representation on the commission in 1612, and that would be the first positive sign in six or eight years that the state is really sincere about keeping farmers in New Jersey.

Thank you again. (applause)

SENATOR DODD: Bill, as always, you have have made an excellent presentation. It is like you are getting to be a professional witness before us.

MR. HAINES: I'm afraid so.

SENATOR DODD: Thank you, and say hello to your dad for me, please.

The committee would like to welcome Assemblyman John Bennett from Monmouth County, he is a member of the Joint Committee.

ASSEMBLYMAN BENNETT: I apologize for being late; however, it was quite a trip down here and my directions were a little off. It is my first trip, but hopefully it won't be my last.

MAYOR FIORILLI: Assemblyman, they are the road signs we have been fighting for with the Department of Transportation.

ASSEMBLYMAN BENNETT: I was only a mile and one-half outside of town before I saw my first signs to the city.

SENATOR DODD: I think somebody changed the signs on us today.

I would like to call Freeholder Ed Salmon, Cumberland County.

FREEHOLDER EDWARD H. SALMON: Senator, it is certainly a pleasure to welcome you here to the City of Vineland in Cumberland County. I think it is my distinct honor to address you again. It is my first time time for the Assemblyman, but in the last week I have attended two hearings, one in the Pinelands, and one here today.

SENATOR DODD: We are here, essentially, at your request, Mr. Freeholder.

FREEHOLDER SALMON: I don't really have a prepared text. I just want to give you a little idea of the feelings of the people in south Jersey, Cumberland County in particular.

I am here on behalf of our agricultural community and also our local industries, which we are very proud of because both of them make a very strong basis for Cumberland County.

You know, it is interesting that when I testified before you just last week on the Pineland Commission, I gave you a little story, a story about a man who was a teacher. If I could, I would just like to start my few comments off with another story. It seem there was a very serious oil well fire in Texas, and all the oil men couldn't ge the fire out, and they called in the

oil well experts to try and get this fire out. They worked for days trying to get the fire out, and finally they couldn't do it, so they called the local fire department. The local fire department had one chief, two assistant chiefs, and that was about it, and one old fire truck. But, being the local volunteer firemen they were, they got into the truck and went to the oil well fire, and they got right to the fire and then proceeded right through the middle of the fire. The truck finally came to a halt and they jumped out and put a little foam on it and some water, and in about 20 minutes they had the fire out. Well, the president of the oil company was excited because they probably saved him about a million dollars, so he, by way of showing his gratitude, had a special testimonial dinner in honor of the fire department. After the dinner was over, he stood up and presented the fire chief with a check for one thousand dollars and he said to him, "Chief, we just deeply appreciate all that you did and the amount of money that you saved this company. Now, what are you going to do with all this money"? And, the chief looked right at the president and said, "Sir, I will tell you. The first thing I am going to do is I am going to fix the damn brakes on the fire truck." (laughter)

You know, I start off with a little levity because it is a real strong feeling in south Jersey that we are going to have to stop some of the legislation that has been coming out of Trenton. There is a real strong feeling in south Jersey that we are losing more local control each and every day. I think you got a little feeling of that in the Pinelands, and the concerns that are involved relating to local input.

I certainly commend you and the comment you made earlier today at this hearing because I am really here to learn also and to get comments from other people who are involved. I was appreciative of your comments saying that this was not to take away the water from south Jersey. I am going to tell you right now, water is one of our greatest resources in south Jersey, it is what is essential for our agricultural community. As you know, the number one industry in Cumberland County is agriculture. Water is essential to our industry and businesses here. It provides the jobs and employment for people. We want to preserve that water, and we have a lot of concern with these bills giving a lot of jurisdiction to the Department of Environmental Protection. We are concerned that it really will be a step in the wrong direction by creating a lot of jurisdiction within the DEP, and authority within the DEP, that really will take away our rights and our water.

We feel we haven't gotten south Jersey's fair share from Trenton. The feeling is there, and I think you are very interested in knowing what the true feelings are in south Jersey at this time. The feeling is that we need to get a much fairer share. One of the things we don't want to do, not getting our fair share, is we certainly don't want to give up our water, because we think our water is the most important thing down here, and it is something that is necessary to both our agricultural industry and our business and industry. I thank you for taking your time out of your schedule, Mr. Assemblyman, to be here and to listen to the people in south Jersey tell you what our real concerns are in this bills.

SENATOR DODD: Mr. Freeholder, and ladies and gentlemen, I don't think it is lost -- perhaps on some in Trenton it is -- that there was a vote to succeed from northern New Jersey in the last election. Now, a lot of people

snicker at that and there are jokes about that, but I and several others have taken that as a very, very dramatic message sent to not only the elected officials, but also to the bureaucracy in Trenton, that south Jersey is not getting its fair shake, that all we do is send down rules and regulations, no cash, no help, and that is, I think, one of the most dramatic things. Not that I believe politically or economically or any other way there could be a succession, but just the fact that there was such a dramatic vote of all the southern counties -- that has got to be a message. This is something that you have personally conveyed to me on several occasions. It is the reason we brought the Pinelands Oversight hearing to Atlantic County last week, and it is one of the reasons we are here today. This is a learning process for us. I thank you very much.

FREEHOLDER SALMON: Thank you, Senator.

SENATOR DODD: What we are going to do now is to take a five minute break for several reasons: first, to give our stenographers a break. That is pretty tough work, if you have watched them. Also, I would like Al Matioska to stand over here and coordinate some of the special interest groups if we can, groups that can identify one spokesman so we can hear, hopefully, all points of view. This is part of the reason we are down here, not just to hear who has signed up. The most important reason of all is the Chairman has to go to the men's room. (laughter)

(five minute break)

AFTER BREAK

SENATOR DODD: We will now continue with the hearing. I would also ask that those who will be testifying, if they do have prepared statements, in the interest of giving your fellow people a chance to talk, let the prepared statements be read into the record in their entirety. Our secretarial people will do that - our stenographers - and if you would care to give any comments aside from the prepared statement, we would appreciate it. We are trying to do this in the interest of time so we can hear from as many groups as possible, for our benefit, so that we know what we are doing when we do finally sit down and write the bills.

Is Charles Kroh, Freeholder of Gloucester County here?

FREEHOLDER CHARLES KROH: Senator Dodd, I do have a prepared statement, but we feel that it most important that it be heard in its entirety, rather than just read into the record. I speak on behalf of all the residents of Gloucester County in the presentation, and it is done by action of the Board of Freeholders on the passage of a resolution at a Freeholder meeting some two weeks ago.

Senator Dodd, Assemblyman Bennett, Director Schiffman, I am Charles Kroh of 108 Holly Parkway, Williamstown, and I am a Freeholder for Gloucester County.

It is a pleasure to be here today to provide you with Gloucester County's thoughts on this most ambitious legislative package. The scope of this legislation is most significant and, if enacted, will have far-reaching effects on the residents, industry, commerce, and substate units of government of the State.

The planning, management, operation and funding proposals contained in Senate Bills 1610, 1611, 1612, 1613, and 1614, and their Assembly counterparts, provide a comprehensive framework for the State to manage and control the water resources throughout the State. Conceptionally, the proposed legislation presents one of many possible processes and procedures that can address the issues of water supply and distribution. Many of the problems targeted for resolution have been present and festering for years. These problems, coupled with the strains and pressing urgency resulting from the current drought conditions, almost compel us to take action, any action, to meet the situation.

However, there are two major pitfalls that can trap the unwary when nagging problems are stimulated by a crisis situation. The first, is the urgent need to assume total control of the institutions and mechanics available to address the problem, because in that way it is felt "we" can more efficiently mold the solutions to meet the perceived needs. Second, there is always the temptation to add desirable but not necessary programs and changes to urgent responses, since we feel more confident they can be adopted as part of the package.

This situation was described very concisely by Irving S. Shapiro, the outgoing chairman of the DuPont Company, in an extensive interview in the Philadelphia Inquirer on February 11, 1981. When asked if the burden of government regulation on business was a legitimate complaint or simply rhetoric, Mr. Shapiro replied, and I quote: "One has to be careful of generalizations. Obviously, there are fields in which regulation is a necessity, and only government can do it. On the other hand, government has no restraint. Once it has power, it tends to exercise its maximum power without reservation. That's the heart of the problem.

The issue is, really, how do you do it, regulate? How much control do you exercise? What tradeoffs do you consider? Unfortunately, government is not very good at dealing with those kinds of issues, for two reasons. The first is the people who undertake the responsibilities are new to them, and when they are new they tend to use their full power as the only safe course of action. About the time they begin to learn their jobs and the industry they are dealing with, they leave government and a new crew comes in and starts all over again.

The other problem you have has to deal with the press. Government officials build a reputation and gain credit with the public at large by having good press coverage. You don't get good press coverage by not issuing regulations, by not controlling industries -- you get it by taking dramatic action that attracts attention.

Now, again, that's generalization, and one has to be careful, because not regulators, not all agencies proceed that way. But, enough do so that it is a fundamental problem."

Although these statements were made by a private sector representative, they are no less relevant to the situation we are facing today with this package of water related legislation.

To be sure, there are problems of serious magnitude facing us today. The response to these problems, as represented by this legislative package, is for large government to exercise maximum power without reservation, over sub-state political subdivisions and the private sector.

It apparently is not enough for the State to meet the obligations it is best equipped to provide: The provision and financing of major water supply and distribution facilities of statewide or regional significance. But, the state is also, through the legislative and the inevitable regulatory process, attempting to gain control and management prerogative over every drop of our water resources.

The proposed legislation and following regulations would provide the State with the authority to:

1. Control the distribution of our water resources to meet State determined requirements and future needs in one area of the State from the resources of another area.

2. Set limits on the amount of water that can be used in any given area or political subdivision of the State based on State determined and derived formulae.

3. Restructure the institutional arrangements that control user fees and rate structures without consideration of other state statutes or municipal and consumer needs or financial limitations.

4. Empower a State agency to mandate every public and private water supply and distribution facility in the State to meet State determined standards without regard to financial limitations, or State mandated restrictions such as the CAP law. The leverage provided the State is the possible takeover of the utility by the proposed State Water Utility in the case of public systems or orders to adjacent public or private water utilities in the case of private utilities.

5. To establish centralized State planning, management and operational entities, to be funded from revenue sources that would insulate these entities from the legislative oversight of the budgetary process.

Gentlemen, I firmly contend the above points reflect the core of the legislative intent of the proposals we are discussing. I also strongly believe they illustrate Mr. Shapiro's point that, "Once it (government) has the power, it tends to exercise its maximum power without reservation."

Perhaps, gentlemen, one of the most significant challenges we face as responsible elected officials, is that we must temper our own and other agencies' natural inclinations to compulsively and comprehensively control situations through the institutionalization of all available processes and mechanics available. In the final analysis, legislative and regulatory overkill may become the problem rather than the solution.

With these introductory remarks, I would now like to address each of the five proposed bills.

Senator Bill 1610, authorizing the issuing of \$345,000,000 in bonds to undertake various water supply and distribution facility construction and rehabilitation projects -- there is no doubt the intent of this legislation is admirable. It is also admitted many, if not all, of the proposed projects are necessary and in some instances long overdue.

However, we in Gloucester County do have some questions regarding this legislation.

1. Is the Delanco Intake project directly tied to the construction of the Hackettstown Reservoir?

2. Will the withdrawals at the proposed Delanco project, the Point Pleasant intake on the Pennsylvania side which serves Bucks, Montgomery and

the Limerick power plant, and increasing of the Delaware-Raritan Canal hydraulic capacity to 100,000,000 per day have any effect on the location of the Delaware River salt line - 250 parts per million? This is of great concern to Gloucester County due to the interface between the Delaware River and the Raritan-Magothy-Potomic Aquifer System.

3. Of the \$65,000,000 slated for rehabilitation of existing systems, what determination has been made as to its distribution? Can communities, utility authorities and/or private water companies in Gloucester County as well as others participate in this fund?

4. Is the \$345,000,000 proposed bond an adequate amount to provide the facilities and water supply storage to prevent the dislocations we are now experiencing due to the drought problems?

Senate Bill 1611, State Water Supply Management Act -- The following statements summarized from the proposed legislation provide a rather explicit definition of the State's intent to totally manage water supply issues:

1. The water resources of the State are public assets of the State, held in trust for its citizens.

2. The ownership of these assets is in the State as a trustee of the people.

3. Some areas of the State do not have enough water to meet either their current needs or provide a margin of safety; the water resources of the State and any water brought into the State must be planned for and managed as a common resource from which the requirements of several regions and localities shall be met.

4. The present regulatory system for these water resources is ineffective and counterproductive.

5. It is necessary that the State, through its DEP, have the power to manage the water supply by adopting a uniform water diversion permit system and fee schedule, a monitoring, inspection, and enforcement program, a program to study and manage the State's water resources and plan for emergencies and future water needs.

6. Establishes an Environmental Service Fund into which all fees, fines and charges will be credited. This structure will provide a funding base for the New Jersey DEP to finance water management programs.

General County comments are as follows:

1. The statements of legislative purpose, presented above, very clearly defines the intent of the State and the New Jersey DEP. There is no question that a management system to more efficiently utilize our water resources is needed. However, a totally centralized system that is empowered to allocate or reallocate this resource to benefit one region of the State at the possible expense of another region is not an acceptable management system.

2. The proposal to centralize the control and the allocation of our water resources is the fourth cornerstone of a statewide growth management scheme to be directed through the environmental regulatory process rather than legislative initiatives. The first three components are:

The Pinelands National Reserve Management Plan.

The 208 Water Quality Management Plan, which established limitations on the amount of sewerage that could be accepted and treated by sewage treatment

The mandates that forced the disposal of septic waste into a system that mechanically processes this waste and has a very defineable capacity. The treatment capacity will define the amount of non-sewered growth capable of being supported in a given area or region of the State.

The limitation on the amount of water that can be diverted for support of human activities is by its nature growth-limiting. Decisions by the centralized planning agency regarding the allocation or reallocation of water resources will be based on the State Water Supply Master Plan, which target areas desired by the State to absorb future growth and development.

3. The proposed legislation outlines a system of revenue generation based on water use charges, permit fees and fines. Further, the legislation proposed to establish a specifically dedicted fund known as the Environmental Service Fund. The revenues to be generated through the provisions of this legislation will flow to the Fund rather than the State's General Fund. The revenues derived from this source will be substantial. It will provide NJDEP with a base of funding, to be used at its discretion, free from legislative oversight in the budgetary process.

4. This legislation, as presented, contains no provisions for sub-state levels of government and the general public to participate in the development of the programs which will shape and mold the critical decision-making process enabled by this legislation. It appears sub-state govermental and general public participation will only be through the very formal public hearing process mandated under the Administrative Procedures Act.

This ommission is found to be offensive, particularly when it is compared to the extensive public participation procedures mandated by the State, when local and county governments undertake a State sponsored or State financed program or project.

Our specific County recommendations:

1. That an advisory council or other similar body be created and this body be composed of: county/local government elected official, four members; representatives of recognized community organizations or environmental groups, three members; representative of large privately-owned water purveyors, one member; representative of municiaplly-owned or authority operated water purveyor, one member; representative of small water company purveyor, one member; representative from a major industrial diverter, one member; representative from a major commercial diverter, one member; and, representative from a recognized organization representing commercial agriculture, one member.

2. That the advisory council and its activities be financed by the revenues generated by the permitting procedures established under Section 10; the user fees created by Section 18; and the fines and penalties provisions created under Section 16.

3. That this advisory council may, within the limits of funds made available to it, appoint such staff or hire such experts as it may require.

4. The advisory Council shall:

(a) Advise the New Jersey DEP concerning the development and adoption of the statewide Water Supply Master Plan.

(b) Advise the department concerning the preparation and adoption of criteria, standards, and regulations pertinent to the management of our water resources.

(c) Develop with the assistance of the New Jersey DEP a system of local/regional advisory groups to provide a public participation institution relevant to the development of the Statewide Water Supply Master Plan and other relevant water resources management programs. The use of the Water Quality Management Designated Areas would provide an established mechanism.

5. That 40% of the Environmental Service Fund, established under Section 19 be dedicated to support County and local water management programs and local citizen participation efforts. This requirement is necessary because of:

(a) Section 4 (d) requires that New Jersey DEP establish procedures to undertake, "...inspection, monitoring, reporting, and enforcement activities..."

(b) The New Jersey Environmental Health Act, Public Law 443, adopted in 1977, upon promulgation of regulations, will have County Health Departments performing many of these functions, such as monitoring ambient surface water quality; and, monitoring and inspecting potable water supplies.

6. Section 5 (2) proposes to exempt certain classes of water diverters/users from the User Fees outlined in Section 18. These uses include any person diverting 1,000 or fewer gallons of water per day and any person engaged in growing agricultural crops or raising livestock who diverts 100,000 or fewer gallons of water per day.

It is assumed these exemptions are based on these uses being non-consumptive as per Section 3 (c). However, there are several areas of the County that are served by public water but not municipal sewer.

Further, agricultural use of water would primarily be for irrigation purposes. However, the legislation proposes a maximum diversion gallonage to be used prior to the imposition of a user fee. The 100,000 gallon per day diversion would provide only minimal relief to agricultural user since it takes an excess of 25,000 gallons to place one inch of water on one acre of crop land.

7. There are several areas of the County that are served by public/private water purveyors but not by public sewer -- Boro of Newfield, Village of Bridgeport, Logan Township, portions of East Greenwich Township, Washington Township and Deptford Township. The users described above would be non-consumptive. Therefore, these users should be exempted from all user fee charges.

8. Based on the volume of water agriculture needs to irrigate crops, the limitations set forth in the legislation are unworable, will promote cheating and will require an inordinant amount of monitoring and enforcement activity. Either this limitation should be done away with or set at a realistic level.

9. The Attorney General be directed to render an opinion on these exemptions to determine if this provision is an equal application of the law. The Environmental Service Fund will support Statewide Water Resource Management Programs while only a certain portion of the population will be taxed to support these efforts.

10. That the language contained in Section 6-806 (b) of the Pinelands Comprehensive Management Plan, as adopted on November 21, 1980, and approved by Governor Byrne, be incorporated into this legislation.

This language states: "Water shall not be exported from the Pinelands Counties, except by natural surface and ground water flows."

Senator Bill 1612, the State Water Supply Utility Act -- This proposed

legislation would establish a state utility empowered to: acquire, finance, construct, and operate water supply systems.

This legislation would provide the State with an operational entity to carry out many of the provisions, duties and functions defined under: The State Water Supply Management Act, Senate Bill 1611; the Small Water Company Improvement Act, Senate Bill 1614.

General County comment:

1. Sections 5 (a) and (b) apparently provide the Utility with the power to take over any private or public water supply entity after a defined set of actions by DEP. The powers conferred to the Utility would include eminent domain. We feel this is a provision of rather sweeping powers to the Utility.

Gloucester County strongly opposes this provision of the legislation as it applies to publicly owned/operated systems and strongly urges the deletion of this provision. We feel existing statutes and regulations governing the operations of these systems are more than adequate to insure their safe operation. In addition, locally operated and administered public water systems are much more sensitive to the needs and desires of their consumers than a Trenton based mega-bureaucracy.

2. Section 4 (d) provides that the Commissioner of the Department of Environmental Protection will be the chief executive officer and permanent chairperson of the Utility.

County Recommendation: That Section 4 (d) be revised to provide that a person other than an officer of the State be elected chief executive officer and chairperson. Due to the role the Commissioner of DEP plays in policy development and directing the operational activities in the area of water resources management and planning, it is necessary to have a person less locked into the system, and possessing some procedurally established conflict of interest as the chief executive officer of the Utility.

This is particularly true when one understands the substantial expansion of powers, duties and functions New Jersey DEP would assume if the Water Supply Management Act and the Small Water Company Improvement Act are concurrently enacted.

3. Draft reports and evaluations contained in the Preliminary State-wide Water Supply Master Plan indicate the deterioration of water supply and distribution systems, particularly in northern New Jersey and our older urban areas, is an issue nearly as critical as overall lack of reservoir and distribution systems.

As a result, Senate Bill 1612 is proposing to expend \$65,000,000 for the rehabilitation of existing systems. It is quite probable that this amount may not be sufficient to cover these needs. If this is an accurate portrayal of the situation, it is quite probable that many systems will be forced to make expensive rehabilitation without benefit of financial support from the State.

Therefore, we would strongly recommend that New Jersey DEP report the following prior to the enactment of this legislation:

(a) An assessment of the statewide assessment of rehabilitation needs and an assessment of cost.

(b) A recommendation to the State Legislature of the funding levels

necessary to support these efforts.

Senate Bill 1613, Providing for the setting of water rates for publicly owned water supply facilities by the Bureau of Public Utilities -- General County comments:

Gloucester County opposes the intent and purpose of this bill. This opposition is based on the following:

1. The sensitivity of local governments, authorities, and other publicly owned and operated water supply and distribution facilities to local needs and desires is much greater than a faceless bureaucracy hundreds of miles removed.

2. The Department of Community Affairs, Division of Local Government Services, currently provides a more than adequate regulatory State check and balance on the budgets, expenditures and rate structures of publicly owned water supply and distribution systems.

3. The preparation of rate structure changes for BPU consideration involves considerable expense. The addition of this cost to consumers, resulting from the increased administrative cost necessary, is not justified when very little benefit can be expected to be derived from this institutional change.

4. The BPU is not noted for its expeditious processing of rate structure modification and requests. Since many other State statutes govern the developing and striking of local budgets, it is felt the inclusion of the BPU into the process will work hardships on local governments. It may even place local governments in a position of technically breaking other State statutes due to the often cumbersome BPU process.

5. Historic problems evolving from previous DEP/BPU cooperative efforts do not provide us with a great deal of confidence that this system of dual state control will efficiently operate. I would cite the many problems encountered by both the private sector and the public sector when this dual regulatory function surfaced in both solid waste and septage disposal areas. Credibility is not one of DEP's long suits.

Senate Bill 1614, the Small Water Company Improvement Act -- This proposed legislation sets forth processes and procedures for the State to mandate private small water companies to comply with orders developed by New Jersey DEP concerning the delivery of safe, adequate water supplies to its customers, pursuant to the statutes, rules and regulations of the State.

The intent of the legislation is to provide a mechanism whereby the New Jersey DEP would be empowered to compel the following, based on defined processes and procedures:

1. Defines a small water company as one serving 1,000 or less customers.
2. Order a capable proximate public or private water company, a municipality, a municipal utilities authority, or any other suitable governmental entity within which the small water company provides service to acquire the company.
3. Order the small water company or the acquiring party to make all appropriate improvements to the system in accordance with DEP orders and guidelines.
4. Establishes a system and procedure to determine fair compensation for the acquisition of a small water company.
5. Provides the use of eminent domain as a method of acquisition.

Gloucester County comments are as follows:

There are, in our evaluation of this legislation, two major shortcomings in this legislation.

1. There is no tie between the State mandating improvements to the supply/distribution system and a State funding mechanism.

2. There does not appear to be an appeal mechanism for a public or private water system ordered by DEP to take over a distressed private small water company. There could be numerous reasons for one system not wanting to take over one of these distressed systems. A far removed bureaucracy mandating these takeovers may be attempting to achieve a purpose, quite contradictory to local needs and goals.

Recommendations:

1. A specific tie between a State funding source - bond money, general appropriations, etc. - to provide the water supply facility ordered to assume the distressed company 50% of the cost of mandated improvements.

2. Provide a specific appeal procedure for companies mandated to assume distressed private water companies who, for legitimate reason, do not want to or cannot assume this additional system.

That ends my prepared text. I thank you for the opportunity to come and to testify, and for your bearing with me through this long testimony.

SENATOR DODD: Freeholder, your and your colleagues are to be complimented. You have put in an extensive amount of work on not just being against the bills but in coming up with alternatives, and I thank you.

FREEHOLDER KROH: Yes, sir. Thank you.

SENATOR DODD: One point on legislative oversight. This is something that all of us will be getting used to in the future. When we overrode the Governor's veto, the first time in modern history, that meant that any agency in state government that is controlled by the Executive, when they issue the rules and regulations, we then have 40 days - I believe it is 40 - to act to either approve or to reject those rules and regulations that are promulgated by different agencies. This is a first. It is a great deal more responsibility on the legislature, but I personally feel that we should be making sure that the laws that we impose work, rather than going out and making new laws, for whatever reason.

The Vineland City President, Carlos Constentino, who was going to speak this morning, has yielded his time. He requested, and I chose, one of the agricultural people, who signed up out of order, to speak. So, I would like to call Larry Benson from the Poultry Processing Industry. This is one of the reasons we jump around so much, because we do want to learn different parts of the problem.

L A R R Y B E N S O N: Thank you, Senator, for allowing me the opportunity to give just a few thoughts from the Poultry Industry. My name is Larry Benson. I live at 725 West Crescent Drive, Vineland. I am representing two poultry plants in this particular area. I, myself, have been in the poultry processing business since 1953, and I really am not a speaker, so being just a poultry plucker, I will just represent my views.

We represent, between the two plants, over 800 people employed in this field. We are using approximately, on one plant, 270,000 gallons of water a day, and in the other plant approximately 350,000 gallons of water

a day. Most of this water is mandated by the USDA in our processing of the poultry. We have regulations from the USDA, the EPA, the FPA, and DEP, and other local guidelines that we must go by in our particular industry. I guess many of the food industries have the same.

My concern is that I don't think we need another regulatory agency to tell us what to do with our water, or how to manage our water. We are quite conscientious in the monitoring of our water because to us disposing of our water is a very prominent hardship on us. So, we do run a good monitoring system. We try to regulate the usage of our water, other than what is mandated to us by the government.

The federal government says that we must use one-half gallon of water per day in the chilling of our poultry, per head. And, also in the scalding, we must use one-half gallon. We must have clean-down time every two hours, in which we use a considerable amount of water. In one plant we are using around 65 to 85 thousand gallons of water a day, just for clean-down purposes.

In your remarks before, you mentioned something about the responsible people we were dealing with, and I certainly recognize that we are dealing with responsible people here today. But, my concern is, what is going to be tomorrow? Who are we going to be dealing with tomorrow. I have dealt with the DEP, and the EPA for a number of years. I probably had one of the first spray field irrigation systems in this area, starting mine in 1953. I have yet gotten a permit to operate a spray field, land treatment type of operation.

In 1986, I needed a new well in my plant, so I went to the Water Commission for a permit to put in a new six inch casing well, and they would give me a permit predicated on a permit to dispose of my water. I have yet to get a permit for that well, or the final approval of a disposal system that would be recognized by the DEP.

I have dealt with people up in the DEP who have been very sympathetic. I have dealt with people up there who go by the letter of the law. And, you deal with them, and they say, "Well, that's the law and that is the regulation, and we must live by it." So, whenever I see new regulations and new laws, I get quite concerned as to what it might do to our industry.

I don't know the answers, and I am not here to give you any alternatives to these regulations. I do know that the other day - in my business I have been talking to people at Seabrook and I have been talking to people at Green Giant - I was quite concerned and quite upset the other day at a statement that was made to me. I, being a local boy, raised on a farm in south Jersey, always felt highly about agriculture and New Jersey. The gentlemen from Green Giant, I believe, made a remark referring to the fact that New Jersey does not deserve any farming area; we are chasing the farmers out. This is probably one of the reasons why Green Giant is maybe leaving this area. I went home quite concerned about it, and I said: "My God, New Jersey is going to wind up as a large warehouse and freezer storage for the whole rest of the metropolitan area and do nothing ourselves."

Senator, that is primarily my concern and the reason for my being here today to give the little bit I have to offer to this testimony. Thank you.

SENATOR DODD: Larry, before you leave, the federal problems, obviously we can't deal with. Even though I would like to talk about the federal problems, and I could probably dwell on them for days myself, as they could with our problems, we cannot do anything about them. The paperwork involved in your day-to-day operation is dictated by state government.

MR. BENSON: Yes.

SENATOR DODD: How bad is that compared to what?

MR. BENSON: I can't say this is a big part of our problem, no. I can't honestly say that. We have the regulations, and we must abide by them to make our water reports -- things like that. Our biggest problem is with the disposing of our water and the regulations I have concerning that.

SENATOR DODD: And, you are mandated -- what is it? One half a gallon--?

MR. BENSON: We are mandated by the Federal USDA for one half a gallon of water per bird, per day. In other words, right now we are killing around 40,000 chickens a day, so it would be 20,000 gallons of water for just one aspect of our operation. But, there are mandates all along the line as to the amount of water that we must use.

SENATOR DODD: Thank you very much.

Elwood Jarmer, Cape May County Planning Board.

E L W O O D R. J A R M E R: Good afternoon, Senator. It is nice to see you for the second week in a row. For the record, my name is Elwood Jarmer, and I am the Director of the Cape May County Planning Board. I don't have any prepared text. I will make some brief comments, and then I will try to answer any questions you may have.

I may be between a rock and a hard place, because I am the first planner that has stood up so far, the rest have been elected officials. I sympathize with a lot the elected officials' comments. I work for them down in Cape May County.

Cape May County has a long history of concern and involvement with water supply. Back in the early '60's there was the Gill Report that studied the salt water intrusion in the lower peninsula, and the county funded two studies in the late '60's to try and find out what was our water supply problem. We got into the 208 - I guess that is a dirty word to some of the people here - planning process in the mid-'70's, and we did our own 208 plan, or tried to do it in the face of the state and federal regulators on how to do it.

And, finally, today we are embarking on another study requested by Lower Township in the City of Cape May, regarding some of their water supply problems. We have been involved over the years, and we have somewhat of a feel for where we are.

As a planner, our planning board's concern is with the Master Plan, or planning aspects of 1611, and I would like to highlight, perhaps, our problems with that and then follow with some recommendations.

First of all, the bill does give DEP a lot of power, and it also says the planning should take place in accordance with the state Water Supply Master Plan, which we haven't seen the final product of yet.

I have been involved over two years with going to meeting after meeting, and submitting a number of pieces of suggestions and recommendations

and letters regarding that plan. But, I have not seen the final product yet, so I don't know what that is going to be.

Yet, I do have some concern that the thrust of that plan is to solve the crisis problem, basically in north Jersey, and not really to plan properly for south Jersey water supplies. So, in view of that, I will make several suggestions that the legislation should mandate certain elements or principals that should be established in any plan.

First, there should be some form of either a certification or a consistency between any state plan and local legitimately adopted water supply plans. I am talking about either a county or municipal water supply master plan, or a 208 plan as adopted locally. So, those plans should be given recognition in any state plan.

Now, that is fundamental, so the locals have an opportunity to have an input in their own plans and not be run over by a master state plan.

The second thing is a concern with the south Jersey water supply in that I have seen nothing in the State Water Supply Master Plan that addresses, really, the proper planning and management of south Jersey's water. The only thing I have seen that does anything about that is the Pinelands Plan, so far, and that is controlled growth in order to preserve the water.

I think what we need in south Jersey's water supply master plan is that each watershed, or basin, or sub-basin, have a plan that would guarantee at least a minimum monitoring system that would tell us what pollution problems we have, and what is happening to that water supply over time. That is important because we testified two years ago for a diversion request for the City of Wildwood to draw water from Middle Township. We don't think we have any water supply problems in south Jersey. The City of Wildwood draws water all year, all winter, from Middle Township to fill its old groundwater wells, and then it pumps on that during the summer. I think there was about a 30% increase in that about two years ago, and we commented that we weren't against that, but there should be some conditions laid down -- proper conservation measures; proper monitoring for salt water intrusion that would be created by that. We never did get a response from the DEP on what they did about that requirement, but verbally we were told that, "Well, we will give them a permit and if any problems turn up, we will address them at the time." So, we are right back to crisis planning again for south Jersey.

So, there ought to be a mandate somewhere. I think it has to be legislated, because I don't see it in the State Water Supply Master Plan yet.

Finally, very recently the City of Cape May asked Lower Township to build a well in Lower Township to get water for supply in the City of Cape May. Lower Township said, "nothing doing." Now Cape May is in somewhat of a dilemma. It is my belief that eventually most of the shore communities are going to have to come to the mainland for their water supplies. Where is some sort of management system to deal with that problem? Or, will that be a crisis?

I would be happy to answer any questions, Senator.

SENATOR DODD: I think your statements underlined the very fact that we do need a plan. We can disagree over the language that is written in these bills, but obviously we need a plan, and we have two separate problems: North Jersey, which is a large percentage of surface water, and South Jersey,

which is virtually all underground.

MR. JARMER: That's right.

SENATOR DODD: So, we have two distinct problems. You just cited a classic example, Cape May with its growth and population and summer tourism -- but all year around also -- needs water, but when you divert water from one aquifer in Lower Township and you bring it to Cape May and they use it and it goes right into the ocean, you then open up the Lower Township salt water intrusion. You can't move large bodies of water without impacting right on down the line. That is what we are talking about.

MR. JARMER: I'm not sure that it is the big bureaucracy in Trenton that needs to manage this either. I think there has to be some method for the local plan to have some input. Local planners are wrong, and they are going about it in completely the wrong way, that is one thing. But, they ought to have some mechanism to have input on any supply.

SENATOR DODD: Let me ask Arnold if he has any comments on what has been said.

MR. SCHIFFMAN: I wouldn't argue about the input issue. We are so far behind in adequate management for the ground water resources, both from a pollution and a supply standpoint, that that is one reason why, I think, after that, generally a regulatory program will tend to operate more on a case by case basis, and I could not disagree that that is inadequate. I think that is the point you are making. I think there has to be something like what you are suggesting because I know what the reality is in operating a regulatory program, and what the future holds. It will be many years. Just a case like this alone would be difficult enough, and there has to be some broader input. The State Water Supply Plan, which again is still in the discussion stage - although we do have the report of the consultants - is not by any means a dead document. That is part of the problem with plans.

So, yes, some method has to be established to do what you suggest.

SENATOR DODD: We are awaiting the Master Plan. We have some preliminary drafts of the final version, so we know the intent. Now, today will officially be our last public hearing, as far as being out of the State House. Our Joint Committee will now sit for many, many days devising, drafting, and taking all of the testimony that we have heard over the last couple of months into consideration. This is where we are looking for the specific language. The testimony, certainly, from the Gloucester County Freeholder Board -- that is, again, very specific. Those are good suggestions. They give us something -- an alternative. And, as we have heard in other parts of the state, you can't do something at the top of the Delaware River where the three states meet, that doesn't impact eventually on Cape May. It does tie in. We can't have two separate-- The Delanco Intake, I think, is a classic example.

MR. JARMER: I appreciate that comment. I will suggest some specific language and recommendations to your Committee.

SENATOR DODD: Again, just give us the general directions you have. We would also like any specific language that you may have, and especially underline local input and how we can interface with the so-called - not so-called, the very real - bureaucracy in Trenton, and how long does it take to get permits, and how long does it take to get a decision. Do you want a 30-day guarantee written into the bill, that is in the event DEP does not

act in 30 days on a permit? The permit would then automatically be granted, or something like that.

MR. JARMER: That's the way the county has to act.

SENATOR DODD: We can innovate. We can change. But, again, Arney is going to say: "Give us the money for the staff."

MR. SCHIFFMAN: I can make you a graph.

SENATOR DODD: Thank you. The gentleman with his hand up, please come up. Please be extremely brief.

S I D N E Y B R O D Y: I will be extremely brief. Thank you. My name is Sidney Brody. I am the present Chairman of the Vineland Economic Development Commission, and former Chairman of the Cumberland County Economic Commission.

I am not going to be redundant. I just want to go on the record, Senator, with you and the Committee, that we at the Vineland Economic Development Commission are totally opposed to the legislation as proposed in its present state. As the Chairman of both commissions I mentioned, I have seen this legislated, with the primary legislation targeted at south Jersey -- the Pinelands, the CAFRA Act, the Wetlands Act, the Dunes Act, everything from north Jersey has been targeted at south Jersey to rob us of our native resources. I have no objection to seeing our water sheds tapped for survival of humanity in north Jersey. But, to rob us of our natural resources, which will stifle our development, whether it be agriculture, economic, or industry, long down the road where we are going to suffer, and to keep us barefoot and pregnant in south Jersey with this type of legislation, I am totally opposed. I think that the legislative body of New Jersey should turn their attention, probably trying to regroup and do something about the Tocks Dam situation.

I think we do have to have a plan for an emergency for water, but I think it should stop there and leave us alone in South Jersey at this present time. Thank you. (applause)

SENATOR DODD: I would like to call Frank Leary, Pohatcong Environmental Commission, Warren County.

F R A N K L E A R Y: Thank you, Senator. It is a pleasure to be here. This is about 15 minutes from where I grew up, and I am personally grateful to you for allowing me to come down today.

I have a prepared statement. I do not intend to read it, but I would like to, in addition to passing it out, make a couple of comments with respect to some of the points in it.

For the record, my name is Frank Leary. I am Chairman of the Pohatcong Environmental Commission, Warren County, and Vice Chairman of the Warren County Solid Waste Advisory Council, and member of the Upper Delaware Watershed Policy Advisory Council. I am also the trustee for the Piedmont District of the Association of New Jersey Environmental Commissions.

From the insight I have in all of these groups, it seems clear to me that the package of water supply legislation is premature at best, and hazardous to wellbeing of New Jersey at worst. The reason I think it is premature is that it is planless, and that has been dwelt on sufficiently in the last few minutes, so I don't have to say anything more about it.

I am truly with the issuance of a Water Supply Master Plan, but I mean its issuance in a form to which everyone can subscribe. It seems ridiculous to do patchwork on the existing water systems. There is no assurance that

any of the actions can do anything of value until we have a plan into which they are working.

It seems to me and to the people that we have discussed this with in these various organizations that at the root of New Jersey's present water supply difficulties is the unwillingness to pay the real price of water, which is conventional and long-standing; an unwillingness to accept environmental restraints on development, which is unfortunately very human, but it is also conventional; and consequent on that, the conventional practice of shuffling water from one watershed to another, what you were just talking about in a small way in the case of Lower Township and Cape May. The whole objection to S-1610 is not that those projects are perhaps not blessed by God, or whatever, but simply the fact that any procedure for shuffling water out of one watershed into another simply compounds the problem. Half of the difficulty we have had with the Delaware comes from the fact that six hundred million gallons a day is shuffled out of that watershed and into the Hudson Watershed by New York City. If that were not the case, we would never have a salt problem. Unfortunately, that is the case.

The Passaic Basin in the northeastern corner of the State of New Jersey is in trouble and it is recognizably so, but the solution is not to take water out of the Raritan Watershed or certainly out of the Pinelands to solve the problem. Flowing by the doorway of New York City, although New York City chooses to ignore it even though it has been reminded of the fact, and flowing right by Bergen and Hudson Counties is 11 billion gallons a day of water. It is dirty, but there is nothing on earth to prevent rehabilitating any kind of water because you can't change the chemical structure of it. All you have to do is flash evaporate it, condense it, and get pure water. It seems to us, again, as one of the insights from the Solid Waste Advisory Council business, that if you had a high temperature energy refuse system of the type that is just coming on-stream up in Mt. Laurel and combine it with a flash evaporation system to demineralize the water, you would solve two of northeastern New Jersey's major problems in one scoop. That kind of thinking, which should, in our judgment, be reflected in a Statewide Master Plan is the kind of thinking that is missing from this. That would be a permanent solution for the Passaic Watershed, and for all of northeastern New Jersey, because the water is there and nobody is using it. There are 11 billion gallons a day of that water.

I think that the Raritan Watershed, which is growing, the Upper Delaware Watershed, which is also growing because development pressures are being felt, are in another 20 years going to need all the water they can develop on site themselves. They are not going to have it to pipe over to somebody else. Any movement - it appears to us that in view of the fact that the Delaware Headwaters problems is so visible a component of New Jersey's problem, that any movement from one shed to another deserves a veto.

Okay. I have a specific objection to bring before the Committee for the construction of the Hackettstown Dam. It is an ill-conceived project. There is a dam just above the place where they would put this dam, which already stills the Musconnecton to the degree that the water is totally eutrophied. It would be rotten water going into the dam, consequently it probably be a health hazard. The other one is, the one up at Saxton Falls. And, heaven only knows what would happen to the hydrology downstream. That has not been

studied adequately. It just seems, again, that tinkering with the headwaters and tributaries of the Delaware is not the way to solve the problem with the salt.

Our major objection, again, in discussing this with these various groups, has been the combination-- I do not have, and cannot see a strong objection to S-1613 and S-1614. In the one case, S-1613 seems to me exceptional, but then perhaps I haven't thought it through. And, 1614 -- it is arguable that it is not the state's business, but it is in fact arguable and I don't choose to argue it. I just mention the fact that it is arguable. But, the combination of 1611 and 1612 is scary. Sixteen eleven conveys virtually unlimited powers over water on a bureaucracy which is not responsive today, and is increasingly less responsive over time to the public will. And, all of the additional elements of the legislation, such as the erection of the environmental services fund would tend to further insulate that bureaucracy from the public will.

The abolition of the State Water Policy Council is a mistake. It may be old. It may be creepy. It may even be funny in the way in which it operates, but it does serve as an expression of the public will as far as water policy is concerned, and if it isn't effective, then perhaps it should simply be jacked up and revived.

S-1612 takes the noose that is already around the neck of the water systems via 1611 and pulls it tighter, because the Water Supply Utility - and I mention this merely because of the specific wording of the act - under whatever camouflage, the current wording makes it an arm of the Department of Environmental Protection, totally insulated from the public will and totally at the mercy of this very same bureaucracy. Under Section 6 (a), for example, the Utility may act only with the Department's approval. The DEP member, or his designee, has a effective veto on any action of the Utility. The Commissioner has the power to pledge -- that is to say the DEP representative, the veto power on that Utility -- on his single motion because of that veto power to pledge the good faith and credit of the people of the State of New Jersey because he can issue bonds without any reference whatsoever -- I quote the act: "...without obtaining the consent of any department, division, commission, board, bureau, or agency of the State, or without any other proceeding. The State specifically is bound under Section 15 not to limit or alter the rights or powers vested in the Utility." Again, the commission. It is a blank charter which the commissioner can fill in as he chooses, and a blank check. I personally regard that as terribly dangerous.

SENATOR DODD: Frank.

MR. BRODY: Yes?

SENATOR DODD: You have talked about an autonomous authority.

MR. BRODY: An authority separated from the department.

SENATOR DODD: Yes.

MR. BRODY: Absolutely. I don't think anyone could formulate any reasonable exception to that idea.

SENATOR DODD: An advisory council?

MR. BRODY: Well, it depends, Senator, it seems to me on whether or not you wanted to set water policy or take water resources action.

SENATOR DODD: It would be a combination, especially in light of the testimony that we have heard today from a constituency that perhaps we are not familiar with coming from the north, and that is the agricultural community. All right, we have agriculture in the north, but it is totally different from southern agriculture.

MR. BRODY: Who unfortunately didn't come to your hearings.

SENATOR DODD: No. An advisory group, formalized around an autonomous authority--

MR. BRODY: Well, that certainly would be necessary for setting policy, for policy-making. A policy-making body could be simply an advisory council to the department. An authority - I think you would then have to be careful how you separate the responsibilities with respect to the Division of Water Resources or else you are going to have a duplication of activity.

SENATOR DODD: No, we have just completed similar legislation with the hazardous waste act.

MR. BRODY: You have an authority.

SENATOR DODD: Right.

MR. BRODY: I haven't seen the latest legislation.

SENATOR DODD: It wasn't the advisory group surrounding the commissioner.

MR. BRODY: Yes, but an advisory body which would tap into the public understanding and the various constituent groups in order to set policy, which would be incumbent upon the department, or upon the authority, as the case may be to enforce, would make sense. But, the thing that is scary, and I think I heard the comment here before, and the thing that I would regard as being hazardous to New Jersey is to vest and centralize all of this power in a single bureaucracy which, as I say, over the last four years has become increasingly less responsive to public input and the public will, as you know from my letter.

I would like to read this one paragraph, simply because I am afraid I wouldn't remember it otherwise. "It is said that these bills must be gotten through now while the pressures caused by the water emergency are still felt. Last Friday's action by the Commission on Capital Budgeting and Planning, taken before the passage of S-1610, tends to bring forth the idea that somebody's ramming it through.

"In a crisis, actions are often taken in haste which are repented at leisure, but repentance does not necessarily bring redress, not without great difficulty. As Jefferson noted, mankind is more disposed to suffer while evils are sufferable than to right themselves by abolishing forms to which they have become accustomed.

"It is the Legislature's clear responsibility to make certain that actions taken even in crisis are for the long term wellbeing of the people. No sensitive person could fault the Legislature for setting up an emergency system to deal with emergency situations. The key criterion is that an emergency situation is temporary, as with Rome's dictators, and when the Senate made Rome's dictator permanent, Rome died.

"As a specific recommendation, I would suggest that these bills should be tabled until the completion and acceptance of the Water Supply Master Plan for the State, at the very least.

"The problems of Camden and the northeastern metroplex should be

rethought and permanent solutions not involving watershed transfer should be developed. Appropriate emergency power should be granted to the Department of Environmental Protection as needed, but on a clearly defined emergency basis with definite sunset provisions, and greater attention should be focused on specific and long term statewide conservation and management practices, including storm water and waste water management." You can have the original, Senator.

SENATOR DODD: John Bennett represents an agricultural area as well, in Monmouth County, who has a combination of surface and underground water.

ASSEMBLYMAN BENNETT: The north calls us south Jersey and the south calls us north Jersey, and we seem not to be a part of either and end up with the problems of both.

MR. BRODY: But, you know Monmouth County could be included in Hudson, Union, Bergen, Essex, and Passaic Complex, if anybody really got around to developing this system that I mentioned. That water is there.

ASSEMBLYMAN BENNETT: Maybe you would want to be included in that complex, but I wouldn't want to be included in it.

MR. BRODY: Yes, but I mean that perhaps some uniform metropolitan water system might possibly be developed to serve the whole corner, because Monmouth County is also growing and those needs have to be met. I thought it was going to be reflected in the State's Master Plan, but I have never seen it.

SENATOR DODD: I understand the Master Plan will be another two months off.

MR. SCHIFFMAN: Well, there is a summary, Senator.

SENATOR DODD: We do have a summary.

MR. SCHIFFMAN: They are being mailed. They are out for circulation, and I know the division is mailing them as they are being printed.

SENATOR DODD: Again, for Frank's benefit, the bills are not being rushed through, as things rarely are in the Legislature. The idea of a rush down there is a snail running through molasses.

Robert Halsey, Monmouth County Planning Board.

R O B E R T D . H A L S E Y: Senator Dodd, I have a brief statement. I will make it even briefer by submitting it to the reporter for the record. I wish to identify myself. I am Robert D. Halsey, Planning Director, Monmouth County, and I am appearing at the request on behalf of the Monmouth County Board of Chosen Freeholders and the Monmouth County Planning Board.

I can answer questions at a later date, and I also submit some specific comments at a later date to you and the joint committee for your consideration.

SENATOR DODD: We have not set the joint meeting schedule, but there will be several weeks of extensive hearings. I don't know if we are going to do it over the budget break, where we will sit down and actually try and we will certainly hear from the master planning people. But, again, we will rewrite specific language for the bill, and before any of them are enacted, we will come around again. Thank you.

SENATOR DODD: Lawrence Di Stefano, Wheaton Industries. Erwin Sheppard, President, Cumberland County Board of Agriculture.

E R W I N S H E P P A R D: Good morning, Senator Dodd. I have put on your desk a copy of our statement of the Cumberland County Board of Agriculture. I have a number of copies here, if anyone wants one.

A lot of what we say in our report has been delineated by other speakers, so what I wish to do at this time is just highlight some of our points that we would like to have the Committee review.

The study done by Governor Byrne, or directed by Governor Byrne on the grassroots preservation of New Jersey agriculture contains quite a bit of reasoning as to the unrestricted use of water for the production of agriculture in New Jersey. It would be impossible for us to grow any of the specialty crops that we do without the water we need. Our farmers have invested thousands of dollars in pumps, pipes, well, ponds. In essence, far more rainfall falls on our farmland and is available for recharge into our underground water resource area than we pump out for irrigation.

What I want to do now is go over the specific proposals that we would propose to the Committee. We suggest the following for inclusion in any revision of the New Jersey Water Supply Management Act:

1. Agricultural irrigation water use forms, reports, permits and documents should be specifically for agricultural users and combined with any other agencies requiring information, such as the Delaware River Basin Commission on proposed or current irrigation water use to reduce the number forms needed, simplify the language and format and be limited to only the information required for the agencies involved to meet the intent of the legislature.
2. Insure the DEP utilize the technical experts from the New Jersey Agricultural Experiment Station in drafting any regulations affecting agricultural irrigation water users and provide for review of proposed regulations by New Jersey Department of Agriculture, New Jersey Board of Agriculture, County Boards of Agriculture and the New Jersey Agricultural Experiment Station to insure that proposed regulations are in keeping with "best farming practices" and do not adversely affect the ability to provide fresh, wholesome food for the residents of New Jersey.

3. Agricultural water users are opposed to any additional fee system for permits for agricultural irrigation water users. Fees and permits for wells and irrigation ponds in South Jersey will do nothing to alleviate the water shortage in North Jersey and will only add to the already burdensome mountains of paperwork required from small family farms that comprise a bulk of South Jersey agriculture and will only tend to drive productive, job-creating farms out of New Jersey.

Bill Haines spoke of pumping 5,000 gallons per minute. That is 3 million gallons an hour. In S-1611, and I am not sure what paragraph, but on page 8, it says that a fee would be charged at the rate of \$1 to \$10 per million gallons, so the pump is pumping three million gallons in an hour could be charged up to thirty dollars an hour, which would be an additional charge or cost to his business. Many of our farms, it would come up to two or three dollars per acre, which is not a lot of money, but if you are farming 400 or 500 acres, that is \$1500 at the minimum. That is just an additional cost that we don't feel is necessary. We are spending a lot of money purchasing electricity, buying diesel fuel, buying hardware items to pump this water to pump it out into the field, and we don't need an extra charge.

One thing we need in agriculture is water. Water is our most valuable resource. Without water, the only thing we need more than water is sunlight. Water and sunlight we combine and we produce crops that humans use as energy. That is one of our important things. One thing we would like, we would like the timely notification as to the ebb of the salt water intrusion to our subsurface waters. We would like whoever is monitoring the water system to notify the Agricultural Extension Service so that the agents can notify agricultural irrigators who are using this water for irrigation. If I pump salt water on my string beans for an hour, they are gone. They are going to be dead in about three hours, and I am done. So, I need data as to salt water intrusion.

We would like it to be clearly spelled out the priority to be used in determining water use for agriculture for irrigation purposes and livestock watering during periods of severe drought when the public health and safety are in jeopardy. These priorities should be set keeping in mind that the application of water through irrigation to growing crops must be done on a moment to moment basis. As I say, delay of critical irrigation on sensitive crops by as little as three to four hours can totally destroy their economic value of that crop.

SENATOR DODD: How is that done now, the notification on salt water intrusion? Is there such a provision?

MR. SCHIFFMAN: No.

SENATOR DODD: Can that be done?

MR. SCHIFFMAN: If we improve our monitoring, perhaps.

MR. SHEPPARD: I will address that a little bit later here.

SENATOR DODD: That seems to be very critical.

MR. SHEPPARD: Right.

SENATOR DODD: Have you had this happen?

MR. SHEPPARD: Yes, we have pumped salt water and it is re-tested, and we have to take the water to the Agricultural Extension Service and they test it.

SENATOR DODD: Are there such things as kits that can do on the spot detection for salt water?

MR. SHEPPARD: Yes.

SENATOR DODD: And that can be done right on the spot.

MR. SHEPPARD: Yes, only for salt. The problem is we need an early warning system. We need our salt water ground water levels and our salt water intrusion levels monitored, because I don't check a pump each time I turn it on, as to whether it is salt water or fresh water. It is clear. I don't know that it has reached that threshold of so many parts per million. We would like some sort of a monitoring system, because we need our water also.

One other point, over the past thirty years in Cumberland County through the cooperation of the soil conservation district, we have built ponds, water improvements and a lot of these ponds, water improvements, wells, we might not use every year. If we put a crop of soy beans on a field, we might not irrigate them in the whole year, so we should not have to pay a fee if we are not going to use the water in that well.

Many farmers are growing high valued crops that need great amounts of water, and other crops that you might get by without irrigating. It is important that we not be required to pay for a permit for a well we might not use in any given year. On my particular farm I would say we have fourteen or fifteen wells. We don't use all of those wells every year.

One thing we are concerned about in S-1611 is the creation of the Water Supply Council. I would like to read our statement pertaining to S-1611. The legislature has a well established tradition of creating councils, boards, and commissions to advise state government concerning a variety of technical subjects. The Water Policy and Supply Council is one of these extra-agency bodies also assigned regulatory and adjudicatory powers. This council is presently administratively contained in the Division of Water Resources, Department of Environmental Protection.

The Council acts as advisor to the division and commissioner, formulates policy and supervises regulatory activity in the areas of water supply, control and supervisions of the construction and maintenance of dams, flood control, drainage, irrigation and water power.

The Council has authority to hold hearings and issue approvals for the following:

- a. Permits to divert water for public or private use.
- b. Contracts between municipalities for water supply.
- c. Exercise of the right of eminent domain by holders of diversion permits.
- d. Delineation of flood hazard areas.
- e. Dam permits.

The Council's eleven members are appointed by the Governor with the advice and consent of the Senate. The law dictates the one member of the council be a farmer who earns at least 50% of his livelihood from agriculture.

We are opposed to abolishment of the Council and placing its authority in the Division of Water Resources. Citizen input by the Council method is very important if responsive governmental action is to be maintained in New Jersey.

We urge that the correct method to achieve the Department of Environmental Protection's goal, and I quote, "to reduce the time delay in processing water diversion permits and to increase the department's efficiency and flexibility in managing the water supply of the state."

This goal can be achieved by increasing the effectiveness of the Water Policy and Supply Council through the following:

1. Give the Council its own budget with a staff of engineers, technicians under their own control.
2. Use part of the capital money to install and monitor ground water monitoring stations throughout the state to keep a check on salt water intrusion and water levels.
3. Make use of ground water recharge areas instead of diverting runoff from hard surfaced areas into storm drains and away from useful potential.
4. Provide the Council with the financial ability to perform its duties of surveying the needs of the state for additional water supply facilities and formulate plans for the development of such facilities and also to formulate comprehensive policies for the preservation and improvement of the water supply of the State.

Agriculture cannot survive without adequate water supplies for now and in the future. We challenge the water policy makers to use the regional action concept, but only after proof of a water crisis is established via test wells and a check in individual areas on water levels and salt water intrusion. This would be the only fair way to work with the distinctly different water supply areas within the State.

Southern New Jersey's Regions 4 and 5 do not have a water shortage problem, as delineated in the water supply plan. Therefore, no further regulation of this resource should be imposed. We have been assured by the Department of Environmental Commissioner English that we would not be taxed or charged for water. But, I say that if the 100,000 gallon limit is the limit of the exclusion, then 95% of the agriculture will be charged for the water it pumps.

Water need for agricultural land, depending upon the ambient temperature can range from 1/4 of an inch a day to 1 inch per day on some crops. On some crops you are using the water not only for supplying the water to the roots we need, but we are evaporative cooling on a lot of the high value florist crops that need the water for the evaporative cooling.

S-1611 would provide little benefit to agriculture since it would only provide irrigation for a farm of 4-15 acres in size, depending on the crop and temperature. Since agricultural land collects in the State of New Jersey over 45" of water each year to add to the ground water supply, a reasonable agricultural exemption should allow for the application of up to 15 inches of irrigation per season to the high value crops without the requirement of permits, fees, or any restrictions. This use of less than 1/3 of the rainfall falling on the land during the season for production of agricultural crops which contribute to the economy of the state seem only reasonable.

As energy costs rise in the future, and transportation costs increase, it will become economically prohibitive to import clothes, and food from the west coast to the east coast. Then New Jersey's agriculture will be equally as important to the well being of its citizens as its water supply is to them. Thank you.

SENATOR DODD: The very last point you made is important, that if we don't have the farms here, we are going to need the agriculture, which we need all the time, especially in the future, and they just won't be here. When farmland is gone, it is gone. Before you leave, Arnold, do you have any comments?

MR. SCHIFFMAN: Yes.

SENATOR DODD: Excuse me, I was told during the break that farming is the second oldest profession. (Laughter)

MR. SCHIFFMAN: There is a key issue that may be a function of the misreading of the legislation, which I will agree is somewhat complicated. Some of this legislation incorporates existing law of the Water Policy Supply Council. There is one decision relating to payments of water diverted that is the existing law that only applies in that very narrow sense of the surface water, and I believe that there may be the belief that that also applies to ground water used by agriculture. I believe that is what you said.

It doesn't, but it could be reread to mean that it does. Maybe that is one reason for the large amount of the concern here.

SENATOR DODD: Arnold, speak on that specifically. That is a key that we are getting over and over again. We will change the language, but for our own intent today, explain this to us.

MR. SCHIFFMAN: It is an existing part of the law that requires a very complicated formula. The law itself is at least forty or fifty years old for excess diversion of surface water. It is a complicated formula. In this piece of legislation, that was just included and not repealed. Many other pieces were not repealed.

In that inclusion, I can now see how somebody reading through this bill could reasonably read that as applying to all diversion of water.

MR. SHEPPARD: It speaks to the exemption of agriculture up to 100,000 gallons per day. That would not be required for a permit, but above and beyond that, all grandfather clause aquifers, and all the other diverters of agricultural water above 100,000 gallons per day would be required to permit, and it also says that a log would be required instead of a meter. But, then as I read the law, it further states that a fee of from \$1 to \$10 per million gallons can be charged.

MR. SCHIFFMAN: That is the old existing law that hasn't been changed and that applies only to surface water and it would not have any impact on agriculture. It has no impact on agriculture now, nor would it have in the future. If there is any question about that, some clarifying language might be necessary.

SENATOR DODD: We write the language, certainly, on that. I was under a misinterpretation myself.

MR. SCHIFFMAN: It doesn't apply at all. There were certain pieces that were taken, so there would be no change, and that was one of them. It doesn't apply to the groundwater at all. It doesn't even apply to all surface water. It only applies to certain consumptive uses, and it happens to be an old piece that wasn't changed and if you were to read it, it is quite confusing, frankly. It just wasn't changed. It was left intact.

MR. SHEPPARD: That means that it will change so that people who are administering that law would---

MR. SCHIFFMAN: I am just curious. Is there a general impression that that applied to agriculture?

SENATOR DODD: Everyone who had that misinterpretation, please raise your hand.

MR. SCHIFFMAN: I thank you for your testimony.

SENATOR DODD: Let's take it from the top. This is really the key. There are a lot of people here who could be doing other things today. This is the main reason that many of you are here. Frank, you had a clarifying point?

MEMBER OF AUDIENCE: I would just remind you that the cranberry people are saying they also divert surface water. So, the old law may also still impact on them.

MR. SCHIFFMAN: They are not a consumptive use. That is the key.

SENATOR DODD: They are not diverting it from one basin to another.

MR. SHEPPARD: You are delineating agriculture as a non-consumptive use.

MR. SCHIFFMAN: No, let me take it from the top. It says, the point of the law R. S. 582-2 as amended. The only amendment is to take Water Policy Supply Council and make it the Department. But, if you were to go back to the law book, 582-2 says, "Fixing of charges for surface waters diverted." It has nothing to do with ground waters.

SENATOR DODD: All right, now put that in laymen's language.

MR. SCHIFFMAN: It is only for surface waters. And, all agricultural uses are ground water. Most of it. If you were to read the rest of this, and the law is very complicated, it would then refer back to the basis of that charge, and it is consumptive use, and consumptive use for streams only. Now it may be an isolated case where it could apply to agriculture, but I don't believe that is very common. In the cranberry illustration, there is no relationship at all, nor does it bear any relationship to ground water. There could be some isolated case where it would apply, but I am not aware of any.

Is there anyone who knows of anybody who is paying under the existing set up?

MEMBER OF AUDIENCE: Well, in that case, why don't you just present a whole new law and write in clear language what you mean today.

SENATOR DODD: Can you identify yourself, please?

MR. MC CURRY: I am John Mc Curry from Ocean City. I am a dowser.

MR. BETTS: My name is Walter Betts. The only thing I would like to say right is, we as farmers are pumping out of two streams that flow into the Tuckahoe River, and there is connects ground water. We use a good many thousand gallons a minute. How does that affect us?

MR. SCHIFFMAN: I would have to look at it. The old law is very narrow in its application. I can even tell you in the entire state, the dollars collected amount to, like, \$300,000 a year from the entire state, and it has been like that for thirty years. I don't believe there is any substantial impact, although I would have to look at the individual cases, because it is a very complicated formula. I don't think it affects you at all, and if it does, it affects you now, regardless of whether this legislation is enacted. So, maybe you should have kept quiet. I don't think it has that much of an effect. It is a very old piece of legislation. I don't know the exact date, but I think it goes back to the 1930's and it does not apply to anything that concerns that. I did not realize there was this much concern until you gave your testimony.

SENATOR DODD: This has been important and brought out in most of the correspondence that our Committee has received. It has centered around this very point, and it just has not been spelled out.

MR. SHEPPARD: It could be delineated in the law that you are not going to charge agriculture for its use of ground water supplies and spell it out.

MR. SCHIFFMAN: It is not just agriculture, it is anybody. There was no intent to do that. The Department had made it very clear that nothing like that would happen, and I seem to think that by keeping a portion of the old law,

it might have appeared we were doing that. The only fee mentioned was a permit fee.

MR. SHEPPARD: We also requested that permit fees be for more than one year at a time, and they should progress with the farm. If I lease someone else's farm, his allocation for water should stay with the farm. And, when the farm changes hand, it should stay with the farm.

SENATOR DODD: I would like clarify a point. The one point you made that makes a lot of sense to me is the monitoring of the salt water intrusion. To me, once the salt water has intruded on an aquifer, that is essentially ruined for many, many years at the very least. Now, could those fees be applied to that monitor? If they are going to pay a fee, should it apply directly to a service provided to the farmers such as yourself? In that case, would it apply? Because, he is going to ask me for money to monitor.

MR. SHEPPARD: What we are suggesting is - you are also asking for \$345 million for water projects in the northern part of the area of the State, and maybe a million dollars or so of that could be allocated for placing of ground water monitoring wells in the southern area where we are not talking about surface waters and streams. It is ground water. Part of that capital could be spent to get a better handle on the ground water in this lower portion of the State.

SENATOR DODD: It does appear to be crucial. I saw a welder with a jacket on before, and I wonder whether they have any monitoring process as they drill wells - I am sure they do. And, what on-site monitoring can be done, and then if indeed enough key points of entry where the salt water would intrude, and that is where we would monitor.

MAYOR FIORELLO: Senator, if I can include one thing, every municipal water utility in this end of the State pumps from underground stratas, and they do constant monitoring. That is one of the things we feared. That is one of the problems that Cape May is entering into now here, having minor salt water intrusion, not major. So, you do have an alerting system through the water companies.

SENATOR DODD: Correct, but it doesn't apply to the agricultural type farmer who has his own monitoring device.

MAYOR FIORELLO: Yes, most of the farmers are inland, not that close to the bay and the water companies are close enough to the bay that I think they would pick it up first.

MR. SHEPPARD: Some sort of early warning system would be advantageous.

SENATOR DODD: I can see where you could lose an entire crop by using this salt water.

Ladies and gentlemen, thank you for your testimony. Before we do break, those of you who have questions, please feel free to talk with Mr. Schiffman and his group here, and I hope he can clarify this language. We will continue in about an hour.

Yes, sir.

MR. LE FEVRE: Do you have Le Fevre next?

SENATOR DODD: No, that is down the line a bit.

MR. LE FEVRE: I have to be in Atlantic City by four o'clock today.

SENATOR DODD: Do you have a statement?

MR. LE FEVRE: Yes.

SENATOR DODD: Okay, please come forward. Kenneth Le Fevre, Vice Chairman of the Atlantic County Board of Chosen Freeholders.

K E N N E T H L E F E V R E: Thank you, Senator. I have a meeting in Atlantic City at four o'clock. I appreciate your allowing me to speak. Again, for the record, my name is Kenneth Le Fevre. I am the Freeholder At Large for Atlantic County, and also Vice Chairman of the Board of Freeholders. My comments are strictly mine, and don't reflect any other freeholder, or that body as a whole.

My immediate concern with the legislation package is the public's perception on its introduction is that it is a program of drought relief. In light of the desperate water shortage being experienced in much of the State, the need for projects as outlined in Senate Bill 1610 might seem irrefutable. In reality many of these projects are geared towards longer term needs, and will not be available in time to alleviate current drought conditions. In fact, these projects would go a long way towards satisfying longer term needs. The justification of these projects can only be determined through a long-term master plan. The fact that there is no adopted master plan has convinced me that specific funding commitments to these projects are premature.

I strongly support the need for a definitive water supply master plan as the basis for decisions on water supply projects. Unfortunately, there is no adopted master plan at this time, only draft documents prepared by the DEP's consultants. I realize that many of the proposed master plan recommendations for specific projects are being pursued through this proposed bond issue.

With the current drought as a backdrop, it is indeed difficult to oppose the need for governmental action. Nevertheless, I question whether the bond issue is being used to implement parts of the unadopted plan, and if so, what would be done with the remaining portions of the plan. At the very least, there is a serious communications problem, since no formal steps appear to have been taken to implement the master plan. Yet, Senate Bill 1610 is prefaced by statements such as, and I quote, "The New Jersey Statewide Water Supply Master Plan has identified certain projects which are needed." Well, there is no master plan.

The need for a master plan as the basis for a major water project is not academic. The master plan is intended to define future needs, compare alternatives, and arrive at a common consensus on the projects best able to meet the long-term needs. Without such a master plan, it is impossible to judge the need for projects designed to compensate for present deficits. A framework in which to evaluate and select projects should be in place before projects are finally selected. It would appear that a clearer process, perhaps, State legislation made be needed to adopt a master plan and then proceed to implement its recommendations. Let me make it clear that I am not calling for more planning as an excuse for more difficult decisions. What I am asking for is the implementation plan that the State is permitted to produce.

When a water bond issue is proposed, I should be able to open the plan and read a description of what I am being asked to endorse. I would like to refer to page 21 of the Summary of Consultant Findings for the New Jersey Statewide Water Supply Plan, which states, and I quote, "Experience has shown that the public will cooperate in a plan that is properly articulated, uniformly followed, and fairly enforced. Plans formulated quickly during a time of drought crises are frequently subject to public suspicion and question."

In order to complete the planning process, I recommend that the DEP publish a schedule for plan adoption, recommend appropriate legislation to make the plan to implementing programs and complete this process within one year.

With regard to the other four bills, S-1611 through S-1614, I am gravely concerned with the institutional reforms proposed in those bills. These reforms remind me of what has happened in New Jersey over the last ten years with the imposition of more and more restrictions, that taking of more and more authority from local governments, to which the State had delegated these same powers in the first place.

In the 1970's municipal officials watched in horror as State government - to them a threatening force - oozed over New Jersey. The Pinelands Comprehensive Management Plan, the Dunes/Shorefront Protection Act, and most recently in Atlantic County, the Atlantic Regional Commission, more commonly known as the superagency, they all represent the latest in a series of moves by the State over the last few years that has transformed this relationship to its citizens, and has altered the meaning of private property rights. In addition, the State reacted in the 1970's by enacting the environmental restrictions aimed at South Jersey, the Wetlands Act in 1970, the Flood Plains Act in 1972, and the Coastal Area Facilities Review Act in 1973 --- All of these actions have placed major restraints on local governments and property owners. Now we have water bills facing us.

I believe that the proposals represent another assault on the separation responsibilities upon local, county, and state officials. Does not the concentration of decision-making in your hands go exactly counter to current demands for greater citizen access to decision-making and service evaluation processes. This legislative package wreaks of overregulation and greater concentration of power on the State level. Here in South Jersey the regulatory representatives who deal with local people are being accused of transporting the regulatory process into an adversary proceeding, and I cite the Pinelands, and DEP and CAFRA.

In a legal proceeding the theory is that you are innocent until someone proves you guilty. In a regulatory proceeding, you are made to feel guilty until you can prove your innocence. For a growing number of people, regulation has become either their first or most frequently direct contact with government. If they feel the regulatory process ignores them, or if they believe they have no voice or influence on the decisions regarding regulation, and if they are convinced that those in power to correct the situation have not chosen to do so, the result may be far more serious in turning people away from regulation. You could also turn them away from responsive democracy.

In conclusion, I refer to premise number 3, which is listed again on page 13 of a Summary of Consultant Findings for the New Jersey and Statewide Supply Plan, and I read you premise number 3, "Responsibility for the development of water resources, and the operation of water supply systems should be commensurate with the lowest level of government capable of being financially responsible for that particular water supply project." I agree with that premise, and I hope that the Committee Chairmen and the Committee members agree with me and keep that in mind when they rewrite this legislation.

My final comment is a side note about the common sense. Senator, you referred earlier this morning to common sense with regard to what happens in the Pinelands. We here in South Jersey cannot any longer depend on our State government to exercise commonsense. The recent Pinelands Comprehensive Management Plan in many ways does not encompass commonsense. I fear for the destiny of the water in the Pinelands. I think the comments made by our host, the Mayor of Vineland, this morning expressed my feelings very clearly, that the law can be changed. That

is the perception of all the people who live in the pinelands. Again, it might be incorrect---

SENATOR DODD: Ken, let me point this out, as I did with the Mayor. The law can be changed. Any law can be changed. That we have absolutely no control over, unless you do control the people that you have to write those laws. Now, you of all people, a public official, are building up straw men that are not there. We have enough real problems to deal with. Criticism, fine; give me constructive criticism. I know people don't like certain things. I don't like certain things, but I don't have the luxury of saying, I just don't like it. I have to come up with an alternative, as you do especially in your position.

MR. LE FEVRE: My point is--- The Mayor this morning pointed out, and your comments also pointed some things out about being an autonomous body, and some of the things we would like to hear. We feel that that is the answer in many respects. Unfortunately, the last two or three that I have been in office, it seems like every three or four months you have to prepare another attack or fight against another effort in Trenton. It is becoming very frustrating; it really is. It is very difficult to sit down here and wonder what is going to come next. We are going to be taxing the air soon. I know we kid about it, but it has gotten to that point. We are at a point where we cannot--- We have a lot of problems down here that we have to deal with within our own county of Atlantic, except we seem to be fighting Trenton all the time. It is frustrating testimony that maybe I have given this morning, but it is at the point where it is breaking.

SENATOR DODD: I agree with you on the superagency for Atlantic County and many of the other things. I fought the Dunes and Shorefront Protection Act, as many of us did. So, these things are proposed every day, such as the migrant labor bills for some of the farmers that are now in Trenton. Again, these are real serious concerns. We have one concern to deal with today. But, we can only take them one at a time. That is all I can deal with today. That is why we are here. I can share your frustration, as I have with many of the people who have spoken to me as individuals. But, one at a time, that is why we are here, hoping we can solve one.

MR. LE FEVRE: I appreciate your coming here today, Senator. Thank you for having me.

SENATOR DODD: We will now take a luncheon recess in about one hour. Again, Mayor Fiorelli, we wish to thank you for your graciousness in providing us with coffee this morning. It was just first-class. Thank you very much.

(Luncheon recess)

AFTERNOON SESSION:

SENATOR DODD: Robert Schlachter.

R O B E R T S C H L A C H T E R: Senator Dodd, my name is Bob Schlachter. I reside in Greenfield, Cape May County. I wish to take this opportunity to welcome you down here and thank you for the opportunity to address your Committee.

Senator, ladies and gentlemen, I am a private citizen. And, the reason I am here today was because about three weeks ago I was watching television being telecast from the Philadelphia area, and they are usually talking about potholes or an automobile accident or a fire, and they said they were going to get into the so-called drought in New Jersey. And, now they are going through mesmerizing the public with propaganda as to the seriousness of this alleged drought. Now, Senator, what I am about to say, I respect you and I respect what you are trying to do for the State of New Jersey. This is my own personal assumption going on information that I have made myself available to when I ran for the Governor of the State of New Jersey, and at that time, I ran against Mr. Hughes, and we had one heck of a donnybrook regarding the serious water conditions that were prevalent in the most serious drought that the State of New Jersey had ever faced, during the years 1964, 1965, 1966. A colleague of yours, Wayne Dumont, was in on it, Robert Roe was in on it, the Governor of New York at that time, Mr. Rockefeller, Mr. Stanton, of Pennsylvania, and of course our own Governor then, Mr. Hughes.

I had at my disposal at that time, trying to take a creditable position on the water conditions that existed during that alleged drought, made myself available of information that was readily available to the public and always has been, through the good work of the Federal government, more particularly the geological surveys that they have made. I understand they have an office in Trenton, across from the State House somewhere. What it all boiled down to, sir - and I think you made reference to this earlier in your opening remarks, that this legislation that is proposed now had already been in the hopper twenty years ago. What I am seeing here today, in all due respect to you, is nothing more than a late night movie being repeated. We have no water problem in the State of New Jersey. We never did, and God willing, we never will.

SENATOR DODD: It is just in the wrong places.

MR. SCHLACHTER: Well, sir, I appreciate where you are coming from. I had to give in to this, because I don't believe anyone should challenge legislation or anything else without first doing their homework. Personally, in the interest of protecting the public and certainly not wasting the valuable time of everyone, I so availed myself through the agencies of the Federal government of water information. In the area today, Senator, where they are calling drought, what I call the chicken little aspect of the sky is falling, God help us all; water is going away, again we are having a replay on that. I am from Essex County myself, East Orange. I have lived up there most of my life. I think you are from northern New Jersey, and of course, our great town of East Orange at that time, and still is, as a matter of fact, is drawing their water supply from artesian wells and always has. I found out during the height of this controversy that under the Essex County, Bergen County, Union County, there was a 200-mile glacier lake. It has been there for a couple of million years. Fantastic amounts, 17 trillion gallons was estimated by the Federal government and it was proposed to Mr. Roe at that time that that be taxed. But, what we were involved in was similar to what we are involved in today, sir,

and that is the political interest in the State. Water today in New Jersey is political, purely political. To control the water is to control life. To control the water is to control business. To control water is to control geographic boundaries between the counties, and this, I feel, with the legislation that is so proposed, is exactly what those who are proposing it are after, control. Control the water, and you control everything. It is a dangerous precedent, sir, because I think it is fortunate that we meet here in Vineland, New Jersey, for only having been a resident down here for the past eleven years, I always found it remarkable the independence of its farmers and its people in this area that have always seemed able to take care of themselves, without interference, and when there is interference, then we have chaos. And, this legislation I respectfully submit, sir, will develop chaos in government - chaos in control, chaos in legislation, and a destructive influence on business and development in the southern part of New Jersey as well as what is left of northern New Jersey.

SENATOR DODD: Chaos is not new to government, sir.

MR. SCHLACHTER: Thank you. It is not. If I can digress a moment, shall we look at Tocks Island. What a disaster. They wiped out thousands of homes, businesses to establish a watershed of some type and these people were removed from their homes, and through the grace of God they were all washed away. You made a remark earlier, "We have gone through this twenty years ago, and then all the rain water fell and everybody disappeared." But, you made a very significant point. And, I appreciate that very much. The identical circumstances now exist today where all this had been put together twenty years ago, and now they say, "Hey, let's get the news media; let's get some of our political representatives, and tell the people of New Jersey how disastrous the water problem is." There is no water problem.

I was once talking to an expert and he says, "You know something, Bob, don't ever let anybody tell you that we are never going to have any drinkable water. Oh, yes, we will have pollution and other things, but let me tell you something, the water that you drink today was drank by the Roman legions 2000 years ago." Water does not disappear. It is there forever.

I made reference early in my remarks to this fantastic 200 square mile wide Lake Passaic under that area in New Jersey which is now hollering drought. In southern New Jersey we have the vast pine barrens - trillion of gallons of pure artesian well water, not the garbage they drink from over in Philadelphia, pure water that should be given to the citizens of New Jersey. A remark was made here that there are those individuals here in New Jersey who say we should have secession. South Jersey has been well represented. Let me say, sir, that I don't think there is a person here who wouldn't help the people in north Jersey if they could be shown that there was a definite reason for them to pump that water, an honest and true reason. They seem to think and feel here that that water that is under the pine barrens is just in a big bottle, and if you take it away, there is not going to be anything replenishing - nonsense. It flows to the ocean.

Now, through legislation, our sharpshooters in Trenton - and I say that most respectfully - have successfully tied up the pine barrens so that water cannot be removed. I think that is tragic. Now, let's go back to the year 1964-65. Then President Johnson met with Governor Hughes and with Mr. Roe and it was decided at that time that the Federal government appropriate several million dollars to

help alleviate getting the water to Newark, New Jersey, and some of those other communities in north Jersey that weren't tapping in to this huge reservoir they had under their feet. Pipelines were run from Lake Hopatcong, the biggest lake in the State of New Jersey, at a cost of millions of dollars. Pumps were put in. Also, with Mr. Roe, over twenty huge wells were put in. Now, why didn't they use that, and why haven't they used that?

There is talk here about salt water intrusion. Of course, I am just an individual, but I decided after reading all this propaganda, and having experienced what I had in the sixties, that I would look into it myself in a rather unprejudiced view. So, I contact the various water companies down in Cape May County, and I was amazed to hear this. Any of you who are familiar with Wildwood or the Cape May County area will know that we are practically at zero height to the ocean down there. A ten foot wave could wipe us out. The water companies tell me, more particularly in Ocean City that they have eleven wells. These wells are anywhere from 600 to 750 feet deep. They have been drawing from these wells for over 100 years. They have gone through the worst of so-called droughts. Where does this well water come from and why don't they have the salt water intrusion that everybody seems to worry about. The Director there, or the manager, told me that there are three huge faults, I believe he referred to them as, the Raritan, the Kirkwood and the Cohansey. They draw from the Kirkwood. That is a river of water the size of the Mississippi going through the State of New Jersey.

SENATOR DODD: Mr. Schlachter, we do appreciate your extensive knowledge of the water situation, but may the Committee respectfully request you stay to the bills. There are at least another twelve or fifteen witnesses behind you.

MR. SCHLACHTER: Yes, I will sum it up in this way. Earlier in my remarks, I related to the fact that if we bring the facts to the public and show them in a responsible way that there is no such thing as a water shortage in the State of New Jersey. That is political red tape. There is an interest here to regionalize and control. If these bills are permitted to go as they are presently drawn up, we will lose local control of the water and we will bring chaos to local government in that they will not be able to protect their citizens, their farmers, their manufacturers of private homes. I as a private citizen reject this, sir, and respectfully state - as has been indicated here earlier by Mr. Hurley, as well as our host mayor here - that the responsibility of water should be at the local municipality. If they cannot show that they can do it, then it should be up to the county. But, if the county cannot do it, then the State. We are coming in on top of people and asking to control their lives and their futures. I think it is unfair. Thank you.

SENATOR DODD: I would like to call the representative from Kimberly Clark Corporation, Mr. Robert Axelrod - no, Dick Kimberly. I am sorry.

R I C H A R D K I M B E R L Y: Mr. Chairman, members of the Committee, and staff, my name is Richard H. Kimberly. I am a Regional Manager of Governmental Relations, Kimberly-Clark Corporation, representing our Switzer Company U. S. located in Spotswood, New Jersey.

Today I would like to speak in opposition to the proposed set of bills S-1610 through S-1614 referred to as the water crisis legislation package. The Switzer Company U. S. in Spotswood, New Jersey, is a manufacturer of cigarette paper and reconstituted tobacco products with a daily capacity of approximately 125 metric tons. This will consume approximately 5.2 million gallons of water per day. I will discuss the ramifications and the impact of the proposed legislation

on this manufacturing facility. However, before getting into this specifically, I wish to point out to you that a significant curtailment of available water in this particular area will produce catastrophic consequences, not only to the Switzer Company U. S., but to the Borough of Spotswood, the County of Middlesex and in turn, the State of New Jersey. The Borough of Spotswood, where this plant is located, has a population of approximately 10,000 people and is approximately three square miles in size. Our plan and the surrounding land owned and occupied by the Switzer Company is approximately 85 acres. Our Spotswood Mill employs 600 people with an annual payroll of \$16 million, the largest employer and taxpayer in the Borough of Spotswood.

The manufacturing of cigarette paper and reconstituted tobacco utilizes the aforementioned five million gallons per day of treated water from the Farrington and Old Bridge aquifers. The Spotswood Mills began production some forty years ago, approximately, and had maintained the high quality that is required in cigarette paper for these particular products in an ecologically sound manner with a continuous growth pattern up to and including the present time.

As you can see from the quantity of water consumed in the daily manufacture operations of the mill, the availability of quality water in sufficient quantities is essential if this mill is to continue to operate. Switzer Company U. S. and its predecessors, the Kimberly Clark Corporation, Switzer Division and P. J. Switzer Company have had a longstanding relationship with the State of New Jersey to whom they have to comply for the necessary permits to enable them to obtain the water rights. As a result of this longstanding relationship, the company has authorization to pump 6,925 gallons per minute or a capacity of diverting up to 9.972 million gallons per day. Based on the water rights available and authorized, but not utilized, approximately 4.7 million gallons per day, classified as grandfather rights, the company continued to invest considerable monies and time in expanding this Spotswood facility.

For example, based on the ultimate future and availability of approximately the 4.7 million gallons per day under the grandfather rights, the company in 1967 as part of its planned expansion for the future spent approximately \$400,000 to build a privately owned and operated water treatment plant. This plant has a capacity of 9 million gallons per day, which is the maximum allowed under our diversion permits, even though at that time we were only using slightly in excess of 5 million gallons per day. The wells that pump these are maintained or were installed at a cost in excess of \$1 million and are maintained at some considerable cost, approximately a quarter of a million dollars on the average since they were put in some forty years ago.

Now, it is anticipated at this point that continuing financial commitment from Kimberly Clark to the Borough of Spotswood, the County of Middlesex and the State of New Jersey must be considered as optimistic. However, if the proposed legislation is adopted as drafted, we are very concerned that the general effect will be negative and strongly curtail the hopes of future growth of this company and result in a detriment of the general interests of all who have benefitted from the company's existence for the last forty years.

At this point, I want to speak specifically to Senate Bill S-1611, known as the Water Supply and Management Act. This bill as written has the most specific and direct and significant impact on our Spotswood operations. My understanding

of this bill is that it would regulate water management and the diversion of any surface or ground water anywhere in the State of New Jersey. Now, the farmer's point may have been revised since I put that there, but otherwise, we basically took it to mean surface and groundwater as currently written.

In addition to consolidating exclusive power for such regulation in the New Jersey Department of Environmental Protection, under Section 5.a, paragraph 2b of the bill authorizes the DEP to review, modify, enlarge, or revoke diversion privileges. We are concerned that this section may be construed to mean that unused grandfather rights could be revoked by the Department at its sole discretion. It is not clear whether any public hearings and/or input would be required prior to any action by the Department regarding the modification or revocation of the unused grandfather rights presently held by the Switzer Company U. S. Such action could require the company to greatly modify its facilities at Spotswood.

Should this result, obvious economic catastrophic consequences would flow throughout the various bodies that I mentioned before in the loss of revenues generated by the manufacturing capabilities of the operation and the jobs, goods, and services, it creates or utilizes. In our case, for example, we have been able to maintain fairly consistent water consumption levels for a number of years while production levels increased. This was accomplished through major water conservation practices and even recycling of processed water to maximize its in plant use, have been accomplished and continue to be under regular review for further improvement in an ongoing effort to preserve our water rights under our diversion permit and to get the most effective use of this water.

We understand that a uniform water diversion permit system to manage the State's water resources must be implemented in a manner that protects the resources as well as meets the needs of the residents in industries in the State. The legislation by inference, if not directly, suggests that there is need for grandfather rights, clarification and modification. We do not agree that any action should be taken that would disturb those grandfather rights possessed by the various diversion permit holders throughout the State and Senate Bill 1611 should, at the very least, be amended to clearly protect those grandfather rights.

An overview of these bills generates some concern as to their adequacy in meeting the water supply needs and problems of the lower Raritan Basin, its cost implications, especially cost effectiveness, and coordination and consistency with the directly related plans such as the adopted and certified 208 program which others have spoken about. It would appear that the Water Supply diversions as proposed in these bills may not be adequately coordinated with overall water quality considerations. On a current basis, for example, salt water intrusion, when water is shifted from one place to another, and in that Middlesex area this is one case, if it is drawn out, then the fear that as it goes down the salt water does come up. There has been monitoring which was discussed by some of the farmers in this area, and it does shift from time to time. So, that would be a very real consideration of our area also.

The lack of local and public access to the decision making process outweighs the benefit to be gained through only centralization. You, of course, recognize the importance of Middlesex County as a population and job source in the State. For example, the lower Raritan area represents 12% of the population and 13% of the total jobs in this State. The county's growth for the period of '70 through '79 was second in the State, and third in total jobs with some 69,000 plus new

jobs in the private sector. The county's water demand over the next twenty years, which was mentioned by Mr. Leary, based on present projections will require an additional 46 million gallons per day, and if the legislation is enacted, it is our opinion that Middlesex County cannot and will not be adequately protected, nor will its projections, projected and planned supply needs be met, which will obviously cause some social and economic upheavels in this key area in the State.

We recognize the existence of an immediate crisis, namely, the present water shortage resulting from the current drought, but feel we would be remiss if we did not comment on what appears to be possibly overreaction in a hastily drawn solution to the problem without giving proper concern for longer range consequences. I think a number have spoken to the fact that where this was introduced previously and we have come back. I think we concur with your point well taken that something has to be done, and just because the rains come now does not mean we should back off totally, but it does not appear that this group of bills would meet the current needs without considerable provision in some of these to bring them up to date to the present time. On that basis, we feel that the results that would come out of this are not going to correct the short term problem as you have said, and will really not be that supportive of an effective longer term solution which can be achieved through a more equitable, further evaluation on current needs of the State, and through more foresight and planning.

I think it is essential that we maintain a good viable water supply for all of these communities. This legislation does not necessarily recognize the potential of such situations as the fact that much of the water that is utilized by the public and private sector is discharged via regional authorities. In many instances this water is treated and then discharged without being made available for public consumption. If this water was then treated by appropriate potable water treatment processes, it could be recycled and consumed again by the general public. A specific example of this would be clearly demonstrated by the utility in our area, the Middlesex County Utilities' Authority and its disposition of water used by the Switzer Company. We should indicate that the cost to the Switzer Company right now disposing of our effluent is approximately \$2.8 million annually, and this water that we discharge is blended in with the other water from the area, and makes up about 90 million gallons per day, which is discharged into the Raritan Bay after treatment. That water fully meets all the Federal standards for water discharge. But, this 90 million gallons per day could be subjected to, or some portion of it, at least, to other treatment, possibly and then reused again. This is one possibility that can be done. While this example, also, is not short-term by any means, we recognize that, but I think it is something in the longer term process that could be considered, and would allow us to reuse water. As much of ours as possible is recycled a number of times until it gets to the point that it must be discharged and purified and sent on to the treatment system, and not purified, but cleaned up so that it can be discharged to the Raritan Bay.

It would therefore seem that good judgement and reason calls for some approach of this type, rather than a haphazard, uncoordinated attack or effort. To put it very simply, to use the time-worn phrase, "Haste makes waste." And, in this particular case, the proposed cure as outlined by Senate Bill 1610 through 1614 appears to be more threatening themselves than the illness which they are setting out to cure.

In closing, I would like to express our sincere appreciation for this opportunity to review these very important items with your Committee. We have

taken a position of opposing the passage of this proposed legislation and urge the Committee not to report these bills favorably. Notwithstanding this, however, I want the Committee to understand that I, Kimberly Clark and Switzer Company, do stand ready to work with the Committee in a positive manner in any way we can to try and come up with a positive solution to an important and immediate problem that is confronting you at this time. This should be done, however, without significant unilateral negative impact to the general welfare of all the citizens of this State and to the further end that individuals, industry and government can cooperate to further best interests of the people of the State of New Jersey. Thank you.

SENATOR DODD: Mr. Kimberly, it is certainly not the intent of this legislation or of this Committee to do anything that would endanger losing a major industry from our State, which your firm represents. Let me call on Mr. Schiffman to address the grandfather rights clause that seems to be the heart of the problem.

MR. SCHIFFMAN: Mr. Kimberly, you have existing allocation permits?

MR. KIMBERLY: Correct.

MR. SCHIFFMAN: Do you have rights that are unallocated?

MR. KIMBERLY: We do, yes, because we have used conservation measures and fully intend to---

MR. SCHIFFMAN: But, wait a minute, you said your existence goes back forty years.

MR. KIMBERLY: Right.

MR. SCHIFFMAN: I think what you are talking about is, you had permits.

MR. KIMBERLY: We have the permits, yes.

MR. SCHIFFMAN: For a certain amount--- And, your water use?

MR. KIMBERLY: Is less than those full amounts.

MR. SCHIFFMAN: All right, that is not an unallocated grandfather right. That would be something that would be reviewed in the normal administrative process. Generally, I think the problem is that with any change you have certain concerns. But, I would imagine from your viewpoint, if your reasonable future plans were taken into account in the permit process, and any company your size has definitive plans as to their water needs, you probably would not have too great a difficulty.

MR. KIMBERLY: Or if you have unilateral control with someone like the Commissioner of the DEP, yes, that would greatly concern us, where you didn't have the local municipalities and private sector input, necessarily available to something like that.

MR. SCHIFFMAN: I am talking about a normal administrative process where someone comes into the firm with certain rights and privileges. In your case, your only concern is that your decreased use, because of your prudent planning, and you decreased your use because you had intentions to increase it again because of plant expansion or whatever, that that would be recognized.

MR. KIMBERLY: Well, I think it is a little different than that. Basically you are getting to the point, but the difference is that while we have in the last, say, thirteen or fourteen years not put in any new paper machines - we have rebuilt sped-up machines and capacity has increased. This would normally have used additional water. However, had we had the diversion rights and the well facilities to do that, had we needed it, but we were able through other conservation measures to virtually hold our water consumption to slightly over 5 million gallons per day. There are times that it exceeds that, depending on our particular production schedules and things. But, we still look to certain things in the future, like our water

treatment facility is built for a much bigger capacity. We would hope there would be expansion and create other jobs. And, if those grandfathered rights are virtually removed, some of the security of being able to do something like that, or being able to utilize the water in a needed area if it goes off to other areas creates real problems for us.

MR. SCHIFFMAN: I understand. Usually, the only criteria for making those evaluations are technical ones, such as the availability of water, and a safe withdrawal. And, normally, most industries in most other parts of the country have no problem with that type of process. Your concern is, I would imagine, that there may be something else that would not be technically based; is that it? If there is water available, you don't have any problem.

MR. KIMBERLY: If the water is taken away to supply another area, like Passaic or something like this nature, the water may not be available, plus if the aquifer levels go down, then we again have the threats of the salt water intrusion and other things that could be very detrimental to our type of process.

MR. SCHIFFMAN: Your only problem is the method of including your future plans into a permit process. Because the purpose of the permit process is to protect and manage the resource.

MR. KIMBERLY: Well, I would say it goes farther than that, to the community in which we operate. Because we certainly have worked our growth and capability with the local authorities there, and we will continue to do that, and we are interested in the community. But, we are not interested in seeing it diverted to another area without very careful thought and planning for the situation.

MR. SCHIFFMAN: Your concern is a possibility because there is nothing in the legislation that says you would not get the permitted quantities that you need.

MR. KIMBERLY: No, but there are things in the legislation that could make that a considerably greater situation.

MR. SCHIFFMAN: Maybe those issues can be concentrated on.

SENATOR DODD: I think we understand your problems now.

MR. KIMBERLY: Thank you very much, Senator.

SENATOR DODD: Joel Jacovitz, Township of Egg Harbor.

J O E L J A C O V I T Z: Senator, my name is Joel Jacovitz. I am a Committeeman in Egg Harbor Township, Atlantic County, South Jersey. I am also the Chairman of the Committee to Free South Jersey, which you may or may not have heard of. At any rate, an overview of the five bills listed above would have far reaching effects upon the entire water resources of the State of New Jersey.

If implemented, these bills would give a five-member board, appointed by the Governor, total control of the entire water resources of New Jersey, with limited access to the public or elected officials. These bills epitomize the concept of bureaucracy and may ultimately lead to the unequitable distribution of one or our most valuable resources. I will handle each bill separately.

S-1610:

- A. Gives power to levy taxes on all state municipalities to overcome any deficit commission may incur.
- B. No time frame or specifics are detailed for the spending of \$345 million.

- C. No legislative oversight.
- D. Permits unlimited funds to be transferred from the State Treasury until bonds are sold.
- E. Interpretive statement is not totally accurate and is misleading.
- F. None of the projects would deal with South Jersey's water problems, yet South Jersey would pay not only for the bonded indebtedness but also be controlled by the Commission which will set water rates.

S-1611:

- A. No input is called for from the existing Water Policy and Supply Council.
- B. Relies totally on the statewide Water Supply Master Plan which may or may not be a plan that will best deal with the water needs of all the residents of New Jersey.
- C. Gives the Commissioner of the DEP broad and far-reaching powers with little or no checks and balances.

S-1612:

- A. Sets up a five member board, all appointed by the Governor, with no regard to regional representation.
- B. Broad powers with very few controls and or accountability.
- C. No budget required which may lead to carte blanche spending.
- D. Reports should be required either quarterly or bi-annually instead of yearly.
- E. Utility should have to submit to local communities for review and comments when facilities are proposed within its jurisdiction.
- F. Commissioner of Environmental Protection must vote in favor of all action or his negative vote overrules the balance of the utility.
- G. The use of the word "convenient" is frequent and should be eliminated to prevent misuse and misinterpretation.

S-1613:

- A. Places more restrictions and red tape on municipalities.
- B. Places another layer of bureaucracy on systems that have served the needs of their communities for many years adding additional cost to every water user.
- C. Removes local control and permits rates to be charged to users which may or may not be a function of actual operating costs.

S-1614:

- A. Grants unheard of authority to the Commissioner of the DEP.
- B. Does not specify what standards are adequate or acceptable.
- C. No apparent appeal process.
- D. Permits and condones confiscation of water systems by the Commission.
- E. No adequate safeguards to protect the interest of local businessmen, municipalities or counties.

As an elected official in a growing community, Egg Harbor Township, which has been, as you probably are well aware, targeted for substantial and major growth as a result of the Pinelands legislation, one of the major concerns and one of the major problems that we have in dealing with that particular piece of legislation, S-1611, is the fact that virtually no local input was incorporated into that. As a matter of fact, we were never even consulted. I am talking about our professionals, the individuals who have dealt with the municipality, the land use in our particular municipality - none of that was incorporated into the plan, and as a result, the plan falls well short of what our goals as elected officials were and are.

The same thing holds true here with these concepts and these bills. The Water Policy Supply Council, to the best of my knowledge, having been told by one of the members, has had virtually no input into these bills. I feel that if you are going to write pieces of legislation that ultimately will control the distribution of water throughout the State, it certainly is a resource that should certainly be tapped, and I think you would be remiss in your job if you do not take advantage of it.

S-1612, this bill, although it acknowledges the fact that they should comply wherever possible, spells out and totally ignores local zoning and planning authorities.

The sum total of the five bills as discussed above may appear to be well meaning and authored as a result of the present drought situation. Nevertheless, my community's needs and the needs of my constituents would be far better served by having the State focus attention on functions which rightfully should be State responsibilities. Instead of taking control of local municipalities' water distribution, the State should focus its attention on planning, building and interconnecting water supply sources. Permit the water companies access to these sources of water and charge on the basis of need and use.

Not one word in any of the five bills speaks to the question of conservation. Regardless how many reservoirs and how elaborate the pipe system might be built, the system will ultimately be doomed unless a conscious and sincere effort is made to require every citizen of New Jersey to implement and practice water conservation. Let us not rush into another bureaucratic web without due consideration and thought regarding the direction we must ultimately go. Let's not make czars under the guise of public service and good. Thank you very much.

SENATOR DODD: Your town of Egg Harbor does have a very unique situation in regard to the pinelands. At the hearing last week in Atlantic County College, that was brought to our attention. By the way, the oversight, apparently you were not here when I mentioned that we did override the Governor and the legislature does now have oversight.

MR. JACOVITZ: I am aware of that. I was in Trenton on Thursday. I happened to sit in on the Assembly version of this particular---

SENATOR DODD: But you mentioned in your statement that there is no oversight provision.

MR. JACOVITZ: Well, I don't know how the bill plays against--- I don't know what area supercedes the other. According to the way this bill is written, it does not appear that there is any override or any oversight committee necessary to monitor its function.

SENATOR DODD: No, all enacted legislation from here on in, and any rules and regulations promulgated by any agency within State government is subject to legislative oversight.

MR. JACOVITZ: Well, according to the way the bills are written, and I would have to refer to my notes from the specific bills, apparently the way these bills are written today, it would appear to me, as the reader of these bills, that this Commission would be authorized to issue bonds without conducting any kind of oversight process or informing anybody other than perhaps the Governor and would be permitted broad powers to not only condemn areas, but I question how an individual or an oversight committee through the legislature would really be able to keep up with the operations of this board, which would be absolutely phenomenal in scope.

SENATOR DODD: That was the determination of the Legislature when it took on that responsibility.

MR. JACOVITZ: Well, I also feel that as a result of being in Trenton, I got somewhat of an education as to how the whole operation fits together, and it was definitely enlightening, and certainly I feel that, having discussed this with a number of people involved in the legislative process, actually the Governor did want to have that authority removed, or he would not have vetoed it. As you know, the pocket veto power would have permitted him to kill the bill without ever having to do anything whatsoever. So, in fact, that was the crumb that the Governor was throwing to the legislature. I really don't know. Perhaps he does not want the next man to hold that office to have that authority - I don't know - as well as perhaps the pocket veto power which I understand is also going to be up for consideration and referendum. Thank you again.

SENATOR DODD: Thank you. Mr. Ellis Vieser, New Jersey Alliance for Action.

E L L I S V I E S E R: Thank you. Senator Dodd, staff, and citizens, I want to congratulate you, Senator, because you are a tough act to keep tract of. You have been traveling around the State, and your tenaciousness in seeking the source of the solution to this problem, I congratulate you.

SENATOR DODD: There is something about a moving target.

MR. VIESER: My name is Ellis Vieser. I am Managing Director of the New Jersey Alliance for Action. The Alliance is a statewide coalition of 220 business, industrial, labor, professional and governmental organizations headquartered in Metuchen. It was organized six and a half years ago with goals of promoting economic development, reducing unemployment and eliminating unnecessary bureaucratic red tape that hinders progress. Our membership is in excess of 1 million people.

To set in perspective what we are here today to discuss, it must be stressed that the projects and programs included in the proposed legislative package would provide only for the longer term water needs of New Jersey. They will not be available in time to help ease the current drought emergency. Due to lengthy design and construction lead time, for example, most of the projects in S-1610 could not impact on the current water shortages - with the possible exception of loans and/or grants to water companies.

We must, therefore, avoid the temptation to take hasty and ill-considered action on this very complex package of bills on the false premise that it is necessary to solve our current drought problems.

We have been placed in this problem, this water dilemma, by too many years of government indecision and inaction.

In 1975, the Alliance For Action warned, and I quote, "Immediate action must be taken to meet the future water supply needs." The Alliance predicted that

without action New Jersey could experience a shortfall of approximately 150 million gallons a day by 1980, or 275 million gallons a day by 1985, and 480 million gallons a day by 1990. The source of this information was our own water resource technical staff, highly competent, of the State of New Jersey.

The Alliance for Action also called on Governor Byrne in 1975 to support the Tocks Island Dam project. We stated - and again I quote - "Abandonment of this project at this late date, after nearly two decades raises the very real possibility that nothing meaningful will happen with regard to these major water problems for another decade at least."

Unfortunately, both prophecies have come to pass.

The Alliance for Action still feels strongly that Tocks Island should be reopened for careful consideration as a project which would meet many of the needs this legislative package proposes to solve. We are convinced that the positive results of Tocks Island would far outweigh any adverse effects if the project is carried out with sensitivity to any potential problems. That project was conceived as a flood control project, as we all know, because of the disastrous effect of what took place, and the lives that were lost. Right at the present time, 80% of that land is purchased. There is \$100 million of Federal funds invested. The cost to the State of New Jersey would be 5% versus 95% of the Federal people, not that that money isn't important. But, more importantly since five years ago, the energy that would be produced from that would save us 4.3 million barrels of oil a year.

The Alliance for Action supports the absolute need for a definitive statewide water supply master plan before a decision on long-range water supply problems can be made. We have no adopted master plan at this time, only draft documents prepared by the DEP's consultants. And, the sooner we get the master plan, I think the better off we all will be.

In light of today's drought conditions, the Alliance does not question the need for governmental action. It does not pose a water bond issue. However, the master plan would define future needs, compare alternatives, arrive at some consensus on these projects best able to meet the long-term needs. I might say that we would work, and have worked, and do work alongside, shoulder to shoulder, with the staff on this.

Without a master plan, how can we judge whether the projects listed in S-1610 are the most cost-effective and environmentally sound projects that can be implemented. Perhaps some of them are. But, we have no sound way of making those judgements. Should the bond issue be used to implement parts of an unadopted plan? Should the State move ahead on long-term projects which would short-circuit a badly needed framework for decision-making? These are questions the Legislature must consider seriously.

The Alliance for Action also has strong doubts about the basic philosophy of trying to take water from one section of the State to solve the immediate water shortage problems of another area. We are convinced that the most effective basis for long-range water supply management solutions is a basis-by-basis approach. The consumption of energy moving this water around from basin to basin is horrendous. If you would ask Arnold Schiffman what the energy cost is for pumping on an emergency basis across the George Washington Bridge, he would give you the total. And, this is the concept that we are against - not that particular project, because it is absolutely necessary in light of today's situations.

Is it sound, for example, to divert trillions of gallons of water from the pinelands, one of New Jersey's most valuable resources, without careful consideration that the overall, long-range impacts of such an expedient, short-term action? We do not think so. I heard the comments this morning, but I don't want to get anybody's fears up, but in my hands in the northeastern United States Water Supply Study put out by the North Atlantic Division, U. S. Corps of Engineers. That map shows a pipeline from the pinelands up to Union County. Maybe it is never going to happen, but, you know, in this day and age right here today and in the present government, maybe it won't happen, but there it is on a plan by a very, very respected agency.

SENATOR DODD: That is a federal document?

MR. VIESER: That is a federal document, yes, sir. I will give you a copy of that.

The Alliance also believes that a separate mechanism should be developed to bring the affected water-short states of the northeast together for a coordinated regional approach to the water development and management. What one State does impacts on its neighbors.

Finally, the Alliance for Action urges the respective Committees of both houses of the Legislature to move cautiously on these bills, to insist on a schedule for finalizing the water supply master plan and to consider appropriate legislation to give legal status to the plan.

Inaction by government helped bring us to the impending water crisis. Do not let that crisis force us today to make unwise long-range decisions that will create the problems of tomorrow and future years. And, in closing, let us not forget the position that we have put ourselves in today because we did not listen to the technical people, skilled technical people, we have on our State staff who will reinforce and try to reinforce all the time.

SENATOR DODD: Mr. Vieser, so we don't have any misinterpretations, this is the Army Corps of Engineers' Northern United States Water Supply Study summary report of 1977. This has been inoperative because of the Federal Pinelands Management Act. So, this could not apply. Let's make that clear.

Scares like that I don't need.

MR. VIESER: I didn't mean to scare you, but if an agency such as this had it on a plan, I think we should bring it out into the open. We should discuss it with the Corps of Engineers, and we should discuss it with any knowledgeable people, and then do what is best for the State of New Jersey.

SENATOR DODD: Mr. Vieser, your organization represents probably the largest all around input of labor, industry, environmentalists, management and all concerned. Your continued input of your organization is vital to formulation of this plan. I would ask you to please stay with us.

MR. VIESER: We are staying with it. The staff here knows that we are on this Conservation Committee throughout the State, so we don't only talk about it, we try to do something. We think they are a great bunch of people. We are fortunate to have them. I think that there has been a little bit too much abuse of these people, not by you, Senator, but by some of the people who have testified. I know the hours that these people put in. I know the dedication they have. From the Alliance for Action, I want you to know that we do appreciate them.

SENATOR DODD: Thank you. Gerald Batt, Greater Vineland Chamber of Commerce.

N I C H O L A S P. H I L L Y E R: Senator Dodd, Gerald Batt is unable to be here, and I will speak for him. My name is Nicholas Hillyer. I am a member of the Greater Vineland Chamber of Commerce and I am Chairman of the Business Committee. I have a prepared statement.

The Greater Vineland Chamber of Commerce, representing 500 members in the industrial, professional, business and agro-business community in this area adds its voice to the many who have expressed their opposition to the proposed water legislation.

Water is the lifeblood of industry and agriculture in South Jersey. The proposed legislation, centralizing control over all water sources in the State bureaucracy in Trenton greatly concerns all of us. We feel it is an unwarranted intrusion into the property rights and private lives of citizens and businesses of this community to place centralized control over all use of water and thereby our livelihood and lives in the commissioner of the Department of Environmental Protection, and in a newly created State Water Supply Utility.

If nothing else, the recent election should have brought to the attention of government at all levels the feelings of the enormous majority of the citizens in this country. Promises were made during the campaign that government would be decentralized, that some levels of the government bureaucracy that have been created over the years would be stripped away and the control of many of the basic needs would be returned to the people. By its vote, the public expressed its belief that such decentralization was what was wanted and needed. Yes, this water legislation creates a new level of government. The cost to industry, the farmer and the taxpayer will be great. But, more important, one of our most important natural resources, water, will be controlled by an authority whose members have not been elected by the people, and who, once appointed, will not really be subject to any control by people.

The Greater Vineland Chamber of Commerce urges the Legislature not to take this action. We urge you to prepare legislation that will require local input to be accepted and have meaning in any decision made that will affect that area's water supply. I thank you, Senator.

SENATOR DODD: Thank you. I would like to call the representative of the League of Women Voters.

M A R G A R E T H O F F M A N: Thank you, Senator Dodd. My name is Margaret Hoffman. The League of Women Voters appreciates this opportunity to speak before you on the five water bills that are under consideration.

New Jersey has always managed its water resources in a patchwork fashion with no single agency having the authority to coordinate and regulate public and private water supply. We are now paying the price for the severe drought in the northeastern part of the State. As Deputy Commissioner Arbesman said, and as you have repeated today, New Jersey is not short of water; it is just not in the right places.

Only a small fraction of this legislation would help in the present drought. We believe, however, that it is essential that effective management of New Jersey's water resources be instituted now and regard bills S-1611 through S-1614 - or rather a modification of these bills- as an important step toward accomplishing this. There may be strong and deep differences regarding the management issues, and we urge formation of S-1300 type task force to resolve these differences. New Jersey

citizens provide a valuable resource for such a task force in the expertise of their citizens in many areas. Past mismanagement now threatens 63% of New Jersey's jobs located in the drought area. We believe it imperative for the sound management procedure be established as soon as possible.

As for S-1610, the \$345 million bond issue for 1981, we are submitting to your Committee testimony prepared for the Commission on Capital Budgeting and Planning. We may wish to support the other three projects at a later date. However, we urge the concurrently with the work of your Committees that the Department of Environmental Protection hold public hearings on the consultants' summary of findings on the water supply master plan studies.

SENATOR DODD: That will commence at the conclusion of our hearings.

MS. HOFFMAN: Okay. We believe that a drastic and probably permanent rise in energy costs might make some of the recommended projects less attractive than they originally appeared in the consultants' studies. Other alternatives might now be cost effective. These should be considered and possibly also included in S-1610. We do firmly believe that S-1610 should include provision for water projects that would assure New Jersey of water supply adequate to prevent crippling droughts for some years ahead, not just the immediate future.

On the presentation for budgeting and planning, for over 35 years, we have been deeply concerned with water resources, particularly comprehensive long-range planning for conservation and development. In 1958, we launched a successful drive to secure passage of the water development bond act, some of whose proceeds we used for construction of Round Valley and Spruce Run Reservoirs. Unfortunately, the original plan to transmit this water to the present drought area of northeastern New Jersey was not carried out, because the necessary pipelines were never constructed. The League believes that conservation should be the cornerstone for water resource development.

The country as a whole is already seriously and steadily overdrawing its groundwater supplies. If water is going to be available for future growth and development, it must be used more efficiently than it is today. We strongly support the \$65 million to be "Allocated for grants or loans to the public or private water purveyors for the rehabilitation or repairs of antiquated or damaged water supply systems."

According to the Water Supply Master Plan Study statewide 100 million gallons of water a day is unaccounted for, presumably through leaky systems in our older cities, such as Newark, Jersey City, Elizabeth, et cetera, and 83 million gallons a day of this loss is in the drought stricken northeastern part of New Jersey. The present shortfall in this area, we understand, is 63 million gallons a day. It is therefore imperative that the repair of those infrastructures start as soon as possible. The potential for providing additional water through repair of decaying infrastructure is great. And, this program should be instituted as soon as possible. We do question whether this amount of money is sufficient. We also urge that the repairs have as their goal bringing down the water loss to 12%, which is the mark of a tight system.

Wherever possible, we believe that this money should be given as a loan, rather than as a grant. We strongly support \$10 million for the construction of a multiple exchange facility at Great Notch. It will prevent for flexibility in water transfers among four water purveyors in the area, a capability

badly needed in emergencies, such as in the present drought or in contamination of water supplies as experienced in Boonton Reservoir last year.

Camden is an area where ground water has been seriously overdrawn and wells polluted. The Raritan-Magothy, one of New Jersey's most important aquifers, has been so overpumped by the city that the U. S. Geological Survey estimates that 50% of the recharge in the Camden area is coming directly from the Delaware River. If the present overpumping continues, the USGS predicts that the underlying brines will break through, destroying a large area of this valuable aquifer. In addition, a number of Camden's wells are so polluted from landfill leachate and industrial seepage that they should be closed. We believe it essential for Camden to have some alternate water supply. One possibility is surface water from the Delaware River. This would make it possible to shut down Camden's most heavily polluted wells. It would also facilitate conjunctive use, a possible long-term solution to Camden's water supply. Surface water could be used primarily at times of plentiful river flows. At low flows the system could switch over to wells, which had been allowed to recharge. Delanco has been proposed as a location for surface water intake. Further study will indicate whether this is the best solution. We believe strongly, however, that funds should be provided in the proposed bond act for alleviation of Camden's water supply problems.

We strongly support funds for the construction of Hackettstown Reservoir, but do not believe that it should be coupled with the Delanco intake. It is part of New Jersey's contribution to the "Good Faith" negotiations among the four basin states and it is important for all New Jersey withdrawals from the Delaware-Raritan canal. The rationale for support of Hackettstown Reservoir follows.

In 1930 the Hackettstown Reservoir site was first considered by New Jersey. It was known as the "Saxton Falls Site." It was later included by the Corps of Engineers in their 1957-58 "Basin Inventory Study" and was designated Reservoir No. 152. In 1962, after the formation of the Delaware River Basin Commission the reservoir was incorporated into the Comprehensive Plan for the Basin. In 1969 the legislature and the voters approved a bond issues, providing money for the purchase of land. At present the State owns roughly a third of the land needed. Pennsylvania and Delaware - to carry through on construction of the reservoir to store water to be used for low-flow augmentation of the Delaware River in drought.

This pressure comes from the "Good Faith" negotiations among the four states on equitable distribution of the basin's waters without Tocks Island reservoir. The negotiations started two years ago when Pennsylvania threatened to sue New York and New Jersey because the middle Delaware was declared part of the wild and scenic river system. This action precluded construction of Tocks Island Dam, which Pennsylvania felt necessary to protect its down-river interests. Rather than go back to the Supreme Court, which in 1954 gave New York City and New Jersey the right to divert water from the basin, the four states agreed to the so-called "Good Faith" negotiations.

The Delaware River is managed by DRBC through a series of reservoirs that provide stored water for low-flow augmentation in drought and periods of low flow. New York City, although it is permitted to divert 800 million gallons per day of water - roughly 10% of the average Trenton flow - provides 90% of the storage in the basin with its three dams - Cannonsville, Neversink, and Pepacton. Pennsylvania provides the remaining 10% of the storage with at least half a dozen impoundments.

Pennsylvania has also agreed to convert two flood control dams to low-flow augmentation dams - Francis E. Walter and Prompton. New York City has agreed to enlarge its Cannonsville Reservoir for the same purpose. New Jersey provides nothing - it only takes: 10 million gallons a day through the Delaware-Raritan Canal just above Trenton to central Jersey - New Brunswick - and during the present drought, water from Lake Hopatcong to Boonton Reservoir.

As its part in the "Good Faith" negotiations, New Jersey has agreed to carry through with the Hackettstown Reservoir to provide needed storage water for flow augmentation in drought. If New Jersey does not carry through on this commitment, it is possible that the other three states might veto any further use of Delaware River water for New Jersey - even municipal withdrawals along the river, such as the proposed intake for Camden. Another possibility is that Pennsylvania would return to the Supreme Court for reconsideration of water allocation, and New Jersey would in all likelihood be required to provide water for low-flow augmentation if it wishes to continue diverting Delaware River water to central Jersey.

Thank you.

SENATOR DODD: Thank you very much. Is Mr. Betts here? Mr. John Mc Curry.

J O H N M C C U R R Y: Senator Dodd, it is a pleasure to be here. I am from Ocean City. You can come down any time.

I want to present something to you which is a little different here, but I would like to talk briefly about water theories, because this whole thing is predicated on this one theory.

As a little bit of background, I am an ex-bureaucrat, having worked for what is now called the Office of Management and Budget for about 14 years, and my last six years was as Director of the Facilities Program for the Department of Defense, or the Secretary of Defense. I ran a staff of engineers, which reviewed all the military construction and family housing projects. The budget varied from \$2.5 billion to \$4 billion a year. So, I am not unfamiliar with some of the things you have taken. At the current time, I am Executive Vice President of the American Association of Dowzers. That is an honorary job, no pay. But, I think we need to bring this to your attention. When you look in any encyclopedia, you will find this chart basically that I have shown at the top of the picture. That is known as a hydrological site. That is the only one which is expressed.

What I would like to bring to your attention is that we do not deny that this exists. I am speaking as an individual, not representing the association, or society, because it is a free forum and we don't lock on any position. But, in dowsing, we do not find a continuous sheet of water. The second set of pictures, which unfortunately these people here cannot see shows something that fits more into what we really find. And, this goes back. I have entitled it, "The sea of magma cycle or the ancient theory, and it goes back as far as Plate Aristotle, Leonardo Da Vinci, and more recently it was brought to the attention of the people in the dowsing field by a gentleman named Vern Cameron. Because this more fits what we find. What it says essentially when you look at this thing, out on the ocean, at three miles depth, there is at least 7,000 PSI, and this forces water down into the crust of the earth. The descent hits down far enough to what is called the magma, which could be 25 to 40 miles below. I don't think it has to go that far, but it heats up to superheated steam, and then it flows around underground and eventually starts the process going up. It forms into what we call water domes.

If you were a bird flying and you looked down over it, here is this water dome, and they can be at any level. You would see spokes of water, like, coming off the hub of a wheel, coming off this. That is what a dowser finds, these spokes of flowing water, and they can go in any direction. It goes north, south, east and west, depending on the flow. It will even go uphill. The thing which the hydrological cycle doesn't account for is the fact that a dowser will very often go on top of a hill and he will find water very close to that top. It doesn't also account for the fact---

Well, out in the west where they really have problems in terms of water tables, what they do is shut down the wells, and they say, "Joe, will you shut down your wells for three days," and they will come along and measure them. They get the average height and that is their water table. So, theoretically, any time you drill below that, you should draw water. Well, as any well driller out there will tell you, that just isn't so. Sometimes he hits dry holes, and then a few feet away he hits good water. Here in Jersey, I will say this, it is a driller's paradise, because generally around here, if he goes down in the pinelands area here in southern New Jersey, if he goes down twenty or twenty five feet, he is going to hit water. And, certainly, by the time he gets to fifty or sixty feet he will hit water. The problem is, it may not be good drinking water.

Okay, now, there is another theory that I will give credit to in modern times to Steven Reece who is a mining engineer and this is water made by rock. Most of the time mining engineers will notice this rock is sweating and they consider the fact that it is condensing air there underground. He concludes that actually these rocks are manufacturing water. I think he is correct. Now, this third little item I have shown here is that everyday when we rotate and the sun is overhead about 80 minutes past that point, then our crust on this earth moves up about 11 inches, and also to a lesser extent with the moon. Okay, this helps all three of those systems, the hydrologic system, the sea magma, and the rock theory by creating the motions which open up these cracks and crannies and that sort of thing.

Now, the next chart here that I have shown you is a chart of the south end of Ocean City. I have only shown on here three wells, or domes.

SENATOR DODD: We are running a little short of time now. I was wondering if we could invite you up to our Trenton deliberations. These will be more exacting.

MR. MC CURRY: Okay, fine.

SENATOR DODD: In the interest of time, you could work with the Department.

MR. MC CURRY: Well, may I say, I know you are running short of time. I know you had a long day, but one of the problems we have as dowsers is the official snubbing, if you want to put it that way, of anybody in the engineering profession.

SENATOR DODD: I don't think that is the case here, because you stated that goes back several thousand years. Something like that does not last for that many years without being really something.

In the interest of time, and we do have one more gentleman who has requested to speak, and it would be unfair for us not to hear him before we close these hearings today.

MR. MC CURRY: Fine. Where is the garage to your house?

SENATOR DODD: I don't have a garage, sir.

MR. MC CURRY: Well, fine. Now, may I bring a friend of mine, Mr. Ross, whenever I come to Trenton? With whom do I make the arrangements?

SENATOR DODD: Please see Al at the end of our hearings.

MR. MC CURRY: Fine.

SENATOR DODD: Thank you very much. Herbert Mazzoni.

HERBERT MAZZONI: I am Herbert Mazzoni, Vineland, New Jersey. I am a taxpayer.

SENATOR DODD: That is the most important qualification I have heard all day, Herb.

MR. MAZZONI: And, I hate to be a water taxpayer. You really need a lot of money here. Of course, you heard this before. I am fed up with more regulations and more so our new taxes as on water. I am going to try to explain to you who should pay for this \$345 million, because the State is what took millions of dollars away from us. In my opinion, it already cost us tax money that run into the millions just for the sake of more votes. Your factfinders and arbitrators okayed compounded pay raises approximately 10% yearly for many public workers. They are now way ahead of inflation. Teachers, for instance, say they start at \$12,000 a year, and 10% compounded pay raise will be approximately \$32,000 a year after ten years, plus \$50,000 in fringe benefits. Ten years, and they will be making \$32,000. In twenty years they will be a millionaire. Let me get that in, and then you can talk.

SENATOR DODD: Herb, put the paper down and tell me what you want to tell me. You don't need the paper. I know what you are saying. We have digressed in many ways from the water bills.

MR. MAZZONI: I will just take another minute. When you put a tax on water, send the bills only to the State and public workers. They have big pay raises, and they earn enough money already. They are way ahead of inflation with compounded pay raises, they should not hold back. Thank you.

SENATOR DODD: Herb, you have to learn not to be bashful. Ladies and gentlemen, let me call on ---

MR. DI STEFANO: Excuse me, sir, my name is Lawrence Di Stefano. I was scheduled to make a presentation at two o'clock. I sent you a letter in advance advising you that I was going to be late.

SENATOR DODD: You are from Wheaton Industries.

MR. DI STEFANO: That is correct, sir.

SENATOR DODD: If you could make it brief, we were supposed to be out of here by four, and it is now four-thirty.

Do you have a prepared statement?

MR. DI STEFANO: Yes, I do.

SENATOR DODD: If you could submit the statement to the hearing reporter, it will be included in the record.

LAWRENCE DI STEFANO: I would just say this: Mr. Frank H. Wheaton, III wanted to give this statement himself, but unfortunately he is out of the State on business and could not do so. He asked me to do it on his behalf. If you want me to, I can read it. It is two pages long.

SENATOR DODD: No, we will include the statement in its entirety in the record.

MR. DI STEFANO: Fine. Thank you very much, sir.

SENATOR DODD: Thank you. Yes.

MR. HART: Senator, I represent Assemblyman Joe Chinnici. I have his prepared statement. If that could be put into the record, I would appreciate that.

SENATOR DODD: Thank you.

D O N H A R T: I would just like to indicate that our farmers in the southern part of the State are experiencing tremendous increases in cost of fuel, fertilizer, equipment and labor and to even consider the addition of an extra water tax would be unreasonable and confiscatory. We must also remember that agriculture with its open spaces is responsible for the vast majority of our ground water recharge. I sincerely hope this Committee will give these remarks most serious consideration and not release any bills in their present form.

Thank you, Senator, very much.

SENATOR DODD: You can deliver the message that we will certainly not.

MR. HART: Thank you.

SENATOR DODD: Let me call on Mr. Schiffman for a review of the tax situation.

MR. SCHIFFMAN: In S-1611, the Water Supply Management Act, I talked to some individuals, but I think everybody should get this clear. There is a section in there that talks about a divergent charge. That divergent charge is existing law. Unfortunately, in reading this bill, it refers to something else that is in a State law. Unless you have this, you really don't know what this means. It has nothing to do with agriculture. It goes back to 1907, and there is a State divergent charge on water now. It collects about \$300 million a year and has been collecting that since about 1900.

Here is what it refers to, and it is payment in the case of diversion of surface water supplies. It says, "Every municipality, corporation, or private person diverting the waters of streams or lakes with outlets for the purpose of a public water supply, not industrial and not agriculture, a public water supply shall make annual payments on May 1st to the State Treasurer for all such water diverted in excess of a total amount equal to 100 gallons daily for each inhabitant of the municipality and municipality supplied, as shown by the census of 1905, or in excess of such greater amount as it may have been legally diverting on June 17, 1907. The provisions contained in this chapter as to payment to the State for water diverted from surface sources shall not apply to water obtained from wells." That is not in the bill that you are reading, but there is a section that talks about diversion charges referring to what I just read, so there is no impact on agriculture.

SENATOR DODD: Ladies and gentlemen, the purpose for us being here today is to find out what we are doing wrong. God knows we have been told. People like Joel Jacovitz from Egg Harbor Township has come up and explained things to us, and others, farmers, who were here this morning and testified about their concerns. We are far from perfect, and as we attempt to write bills, and legislation---

This morning there must have been 200 people in this room. I would say out of that 200, 100 of them should not have been here, because we did not write the bills clearly enough, or make things known when we first came out with this package. That is our fault. But, we are leaving here a lot better educated today and knowing exactly - not exactly, but we have a good start on the dialogue as to what the agricultural problems are and so forth. North Jersey's problems are not necessarily south Jersey's and vice-versa. But, unless we work together and plan ahead, we are not going anywhere.

The key factor is to keep an open ear. We keep an open ear. I can only speak for our Committee, as we travel around the state and try and solve the problems that are in our narrow area. You have been an excellent audience. Thank you and good afternoon.

(Hearing concluded)

POHATCONG ENVIRONMENTAL COMMISSION
POHATCONG TOWNSHIP MUNICIPAL BUILDING
RD1 PHILLIPSBURG, N.J. 08865

February 24, 1981

My name is Frank Leary, and I am Chairman of the Pohatcong Environmental Commission in Warren County, vice-chairman of the Warren County Solid Waste Advisory Council, member of the Upper Delaware Watershed Policy Advisory Council, and member of the Board of Trustees of the Association of New Jersey Environmental Commissions. From the insights produced within all these groups, it becomes clear that the package of water-supply legislation now before this Committee is premature at best and at worst, hazardous to the long-term health and wellbeing of New Jersey and its citizens.

It is premature in that it is planless. Sections 12a and 12b of S.1611 direct the New Jersey Department of Environmental Protection to maintain and implement a water-supply master plan; PL92-500 also required the development of a statewide water-supply master plan, which should have been finished prior to 1978; it's still in the womb of time. Without such a plan there can be no assurance that the actions programmed in the legislation will accomplish anything of value.

The legislation is hazardous because it creates an operational monstrosity and an administrative monster; it pretends to solutions which can only become part of tomorrow's problem; and it is, in part, totally contrary to acceptable concepts of the proper functions of the State and its bureaucracy.

At the root of New Jersey's present water-supply difficulties are a conventional unwillingness to pay the real price of water (which results in waste and misuse), a conventional inattention to the need to accept environmental constraints on development, and the conventional practice of shuffling water from one watershed to another to accommodate development which should have been restrained in the first place. The legislative package deals with none of these root problems. Indeed, it simply goes farther in the same unprofitable directions.

S.1610 -- which by the way assumes the existence of the illusive water-supply master plan -- is largely devoted to setting up the mechanisms by which \$345 million of the people's resources will be spent on patchwork. Of that money, something in excess of \$200 million is a long-term waste. Transferring water from the Raritan watershed to the Passaic watershed, or depleting the Pinelands aquifer for uses outside the Pinelands, far from solving any long-range water problems, merely postpone the inevitable reckoning and thereby become part of the problem.

The Raritan basin is growing and development pressure in the

upper Delaware watershed is strong. Both areas will in the future need all the water resources they can develop on-site. New York City's diversion of some 600 million gallons a day from the Delaware headwaters is so visible a component of New Jersey's problem -- especially as regards the Delaware salt front -- that any movement of water from one shed to another deserves a veto.

It was pointed out to John V. Lindsay in 1965, when the last drought cycle was at its worst, that it was within New York City's power to solve its water problems in perpetuity, and without regard to the Supreme Court's mandates to maintain the flow of the Delaware. The City could avail itself of the 11 billion gallons of water which flows by its doors daily. Although New York chooses to ignore this feasibility, the same holds true for northeastern New Jersey; the same water flows by Bergen and Hudson counties, and the technology for rendering it potable by demineralizing it is well established. Furthermore, a reasonable approach might see the combined development of a system to handle the solid wastes of the several counties in the northeast, by means of a high-temperature energy-from-refuse system of the type being brought onstream in Mount Laurel, whose high temperatures would be used for the flash evaporation stage of the demineralizing system -- thus solving the two most pressing environmental problems of northeastern New Jersey at one swoop.

Whether or not an equally elegant solution could be found for the Camden metroplex is unclear, but certainly the problems of that region will not be solved by tinkering with the upper Delaware and its tributaries. The Musconetcong river, for example -- which once deserved its Lenape name of 'very active' or 'leaping' -- is already the most dammed river in the State; water impounded in the proposed reservoir at Hackettstown will enter already badly eutrophied from upstream impoundments, and what will happen to downstream hydrology has not been adequately documented. The dam is ill-conceived, will in the judgment of many do more harm than good, and should not be built.

So much for the operational monstrosity. The administrative monster is created by the other bills in the package. Of these, S.1611 and S.1612 are truly dangerous. S.1611 conveys virtually unlimited powers over water on a bureaucracy which is not responsive -- and is increasingly less responsive -- to the public will. Even the requirement for public hearing written into Section 14e applies only to the interconnection of public water-supply systems, and is anyway inadequate even to this limited purpose. Further, the creation of an Environmental Service Fund to be used at the arbitrary pleasure of the Commissioner would tend to remove the Department from even the budgetary constraints which the legislature can now impose. The act also does away with the State Water Policy Council, vesting the policymaking responsibilities of that body in the selfsame

bureaucracy. For these and other reasons, the bill is fatally flawed and should never become law.

S.1612 pulls the noose even tighter. The Water Supply Utility that would be created under this act is under whatever camouflage an arm of the Department of Environmental Protection, totally insulated from the public will and totally at the mercy of the same bureaucracy. Under Section 6a, the Utility may act only with the Department's approval -- the DEP member, either the Commissioner or his designee, has an effective veto over any act of the Utility. That bestows on the Commissioner -- one single finitely fallible human being, please note -- the unusual power to pledge the good faith and credit of the people of New Jersey on his sole motion, since under Section 10 the Utility, meaning the Commissioner, can issue bonds 'without obtaining the consent of any department, division, commission, board, bureau or agency of the State, and without any other proceeding.' No more of this nasty business of asking the legislature or the people! And the State specifically is bound under Section 15 not to limit or alter the rights and powers vested in the Utility -- which is to say, the Commissioner. The act is at once a blank charter in which the Commissioner can fill in precisely what he wishes to do and then preempt the right to do it, and a blank check. It is fatally flawed and should never become law.

S.1613 is unexceptionable, and of S.1614 it might merely be said that it may not be the State's business to interfere in these matters; but the point is arguable.

It has been said that these bills must be rammed through now while the pressures caused by the water emergency are still felt. Last Friday's action by the Commission on Capital Budgeting and Planning, taken before the passage of S.1610, would tend to reinforce that idea. In crisis, actions are often taken in haste which are repented at leisure; but repentance doesn't necessarily bring redress. As Jefferson noted, mankind is more disposed to suffer while evils are sufferable, than to right themselves by abolishing forms to which they are accustomed. So it is the legislature's clear responsibility to make certain that actions taken, even in crisis, are for the long-term wellbeing of the people of the State. No sensible person could fault the legislature for setting up emergency systems to deal with emergency situations; the key criterion is that an emergency situation be temporary, as with Rome's dictators. When the Senate gave permanent status to the dictator, Rome died.

These bills should be tabled until the completion and acceptance of a water-supply master plan for the State. The problems of the Camden and northeastern metroplexes should be re-thought and permanent solutions not involving watershed transfers should be

developed. Appropriate emergency powers should be granted to the Department of Environmental Protection as needed, but on a clearly defined emergency basis with definite sunset provisions. And greater attention should be focused on specific interim and long-term statewide conservation and management practices, including stormwater and wastewater management.

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Monmouth County Planning Board

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MONMOUTH COUNTY ENVIRONMENTAL COUNCIL

CHAIRMAN
KATHLEEN H. RIPPERE
VICE CHAIRMAN
EDWARD MILLER, M.D.
SECRETARY
DAVID W. MORRIS, JR.



ONE LAFAYETTE PLACE
FREEHOLD, NEW JERSEY 07728

201-431-7460

ROBERT D. HALSEY
Director of County Planning

REC-11-11
FEB 20 1981

Hon. Frank Dowd
Chairman, Energy, Environmental Commission
Llewellyn Park
West Orange, New Jersey 07052

Dear Mr. Dowd,

I have enclosed for your information a letter from the Monmouth County Environmental Council to the State Commission on Capital Budgeting and Planning in support of funding for the proposed Manasquan River Reservoir. In view of the declining groundwater levels and problems of saltwater intrusion in the County's two major aquifers, the Council feels it is imperative that an additional surface water source be developed to ensure an adequate water supply for the County's residents in the years ahead.

The Council respectfully urges your support for both the appropriation of \$500,000 for design and environmental studies from the Natural Resources Bond Issue and the allocation of \$40 million in construction funds in the "Water Supply Bond Act of 1981" (S1610).

Very truly yours,

Kathleen H. Rippere _{dwrm}

Kathleen H. Rippere

KHR:DM:dw

cc: Harry Larrison
Robert Halsey
Elwood Baxter
Robert Huguley

Monmouth County Planning Board

MONMOUTH COUNTY ENVIRONMENTAL COUNCIL

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ONE LAFAYETTE PLACE
FREEHOLD, NEW JERSEY 07728

201-431-7460

ROBERT D. HALSEY
Director of County Planning

February 11, 1981

Eugene Jacobson, Chairman
New Jersey Commission on Capital Budgeting and Planning
Kelsey Building
Room 501
101 West Street
Trenton, New Jersey 08625

Dear Mr. Jacobson:

At its regular meeting on February 5, 1981, the Monmouth County Environmental Council voted unanimously to urge the Commission on Capital Budgeting and Planning to support the Department of Environmental Protection's request for \$40 million for the construction of the Manasquan River Reservoir as contained in S1610.

The proposed Manasquan River Reservoir is an essential component of the overall water supply plan and program for Monmouth County. It is the key element in the 1970 Monmouth County Master Water Plan.

The proposed reservoir system would provide 35 million gallons per day (MGD) of potable water to the southeastern portion of Monmouth County and possibly to the northeastern portion of Ocean County. Both of these areas draw heavily from the Englishtown aquifer. This aquifer, according to U.S. Geological Survey data is showing a drastic decline in water level, with a major cone of depression under the area mentioned above. As a result, there is a strong possibility that the wells drawing from this aquifer could go dry or become contaminated by salt water intrusion.

The proposed reservoir would also provide supplemental supplies to the Monmouth Consolidated Water Company which currently supplies about 30 MGD to a large area in east-central Monmouth County. All but a very small percentage of Monmouth Consolidated's supply comes from surface waters of two relatively small drainage basins. Therefore a prolonged drought would have severe negative impacts on this Company's ability to serve nearly 200,000 persons.

Monmouth County Environmental Council

Eugene Jacobson

- 2 -

February 11, 1981

Water from the proposed reservoir could also supplement supplies in the extreme northeastern section of Monmouth County where salt water intrusion is likely to affect some public wells using the Raritan Formation. This would be accomplished through a series of physical interconnections between the various public water systems and the Monmouth Consolidated Water Company system.

In short, the proposed Manasquan River Reservoir System is needed immediately if Monmouth County is to avoid a water crisis similar to that already affecting northern New Jersey.

The Council respectfully urges your serious consideration of the request for funding of this important project.

Very truly yours,

Kathleen H. Rippere _{dwm}

Kathleen H. Rippere,
Chairman

KHR:dw

cc: Area Legislators

Harry Larrison, Freeholder Director

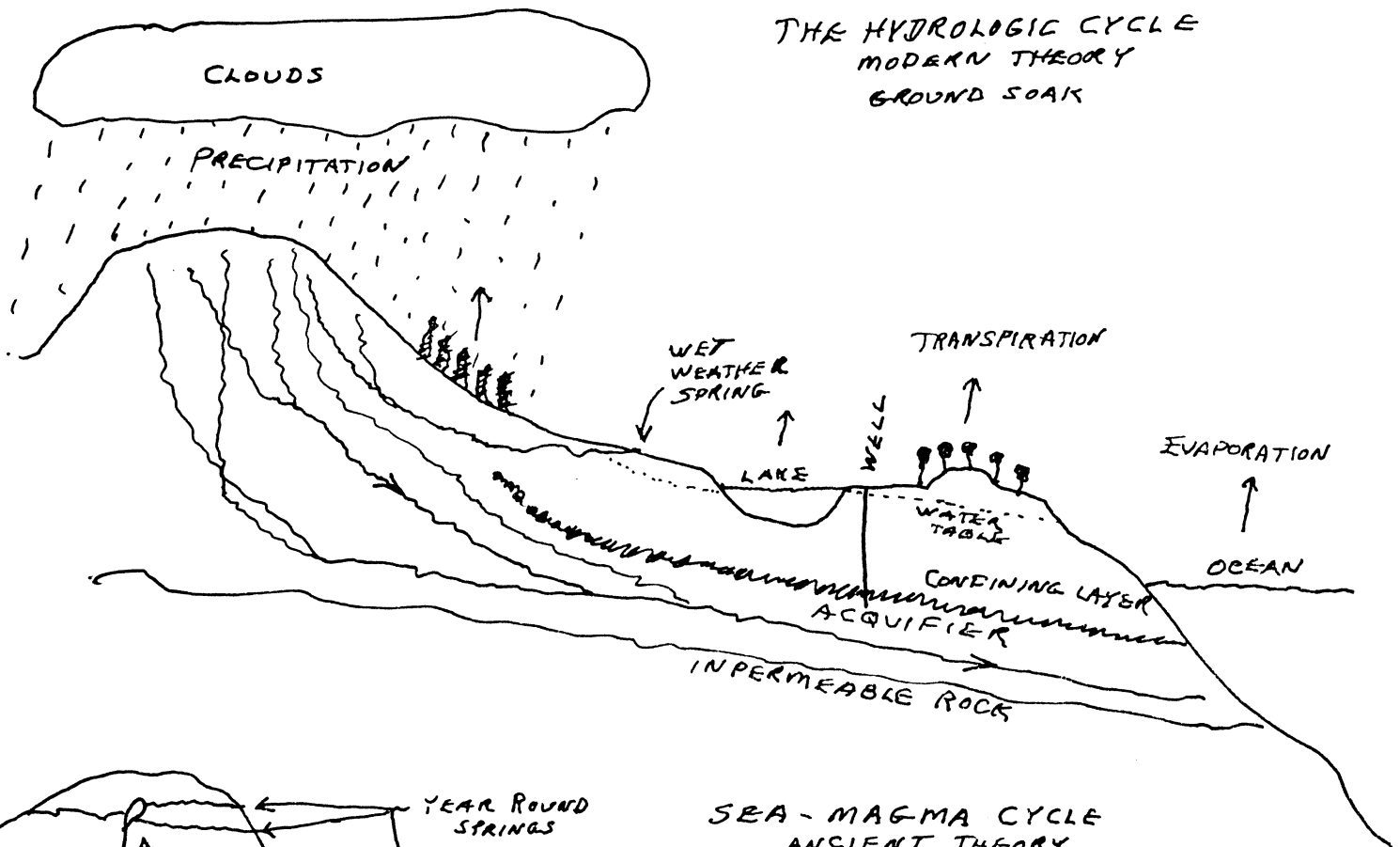
Elwood Baxter, Chairman Monmouth County Planning Board

Robert D. Halsey, Director of County Planning

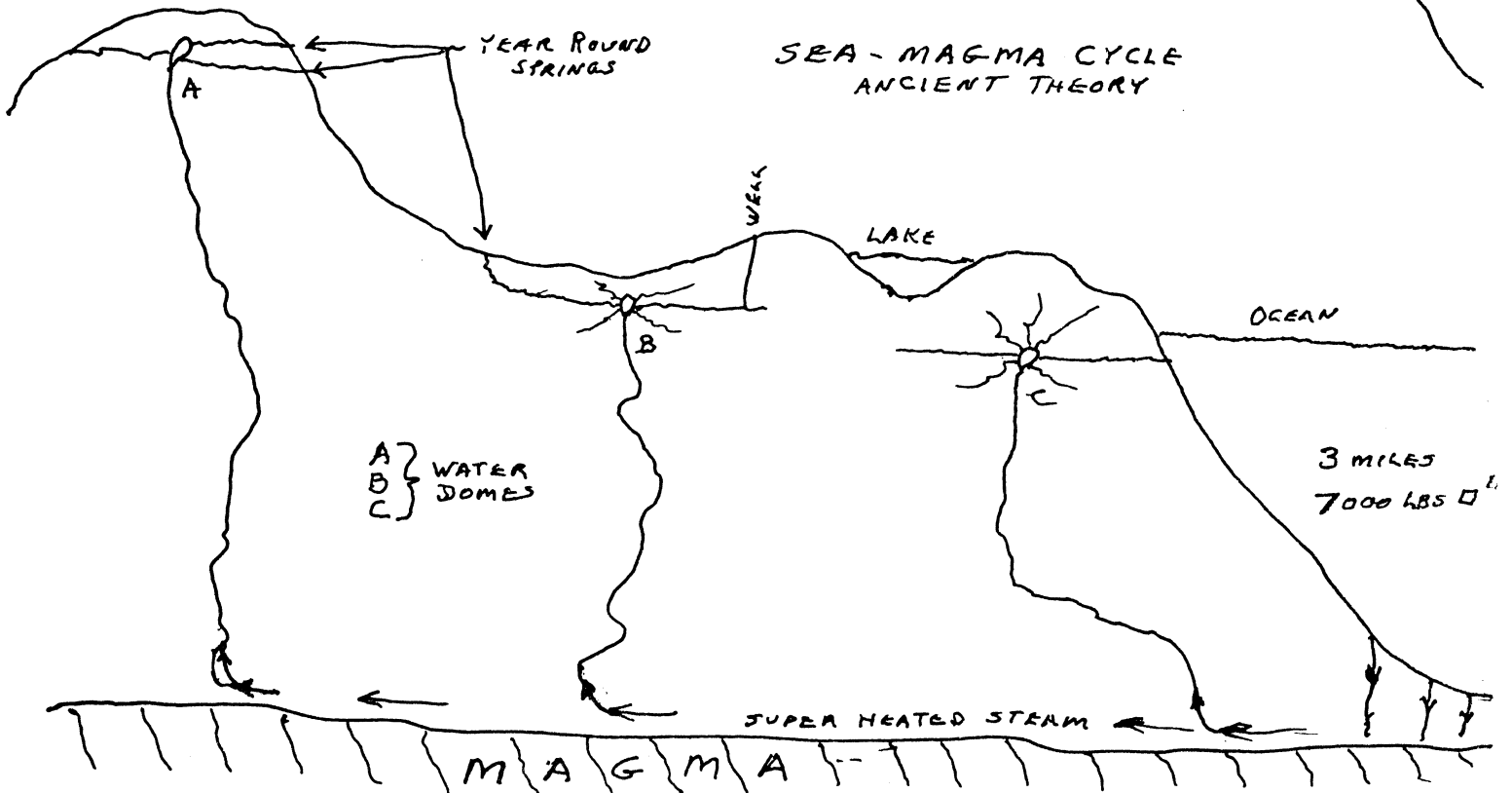
Robert Huguley, Principal Environmental Planner

GROUND WATER THEORIES

THE HYDROLOGIC CYCLE MODERN THEORY GROUND SOAK



SEA - MAGMA CYCLE ANCIENT THEORY



CREST OCCURS
80 MINUTES AFTER
SUN/MOON OVERHEAD
EARTH'S SURFACE

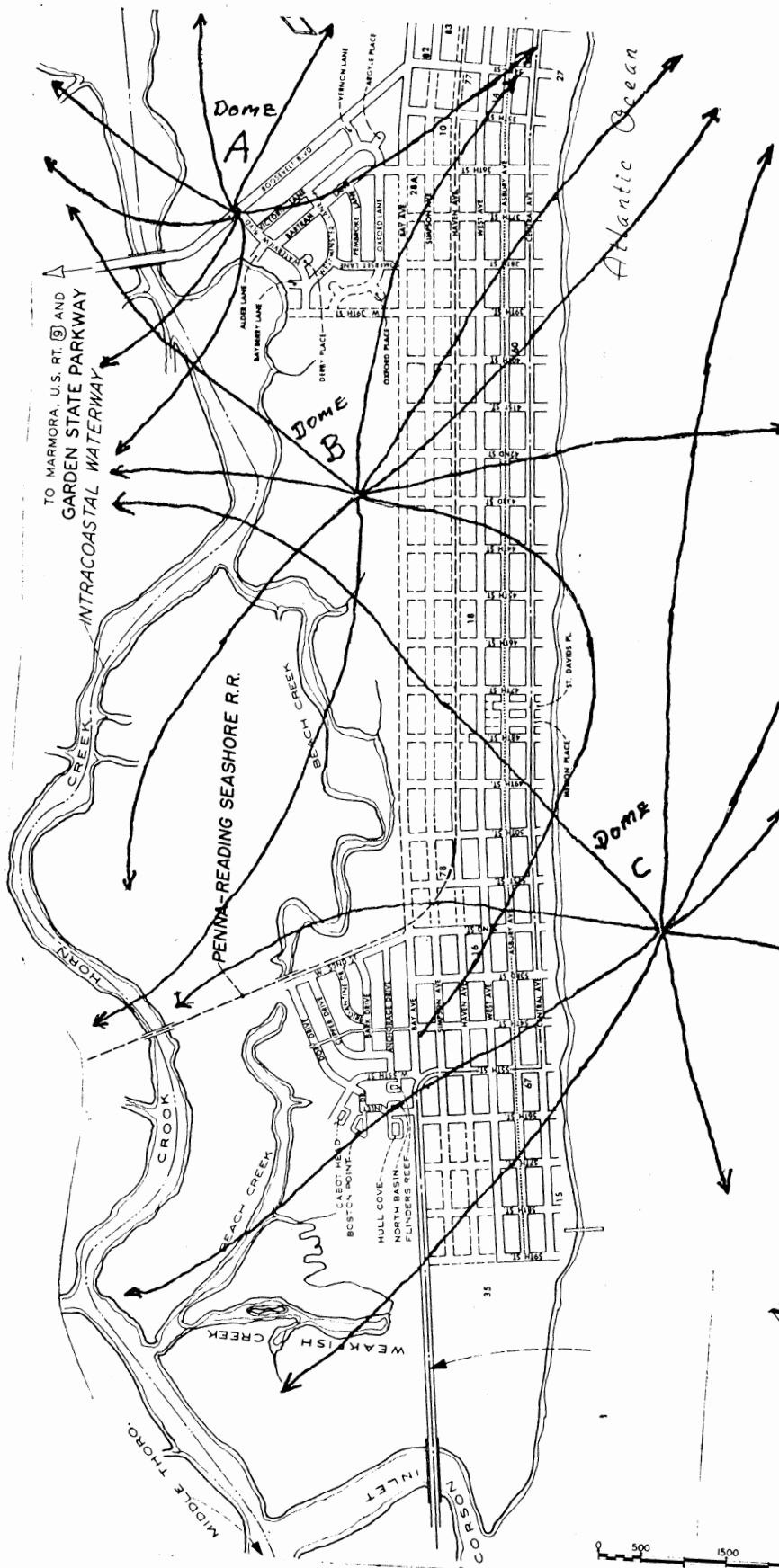
DAILY CREST
AVERAGE 11 INCHES

MOVEMENT OF EARTH'S CRUST IN ADDITION TO FACILITATING FLOW
OF WATER ALSO CREATES WATER BY ELECTROSTATIC ACTION

2-24-91

OCEAN CITY, NEW JERSEY 34TH STREET TO CORSON INLET

SHOWING 3 SAMPLE WATER DOMES AND ASSOCIATED VEINS



ESTIMATES:

DOME A

TO TOP OF DOME 342 FT
TOTAL FLOW 13,400 GPM
POTABLE WATER

DOME B

TOP 235 FT
9200 GPM
NON POTABLE

DOME C

TOP 216 FT
8700 GPM
NON POTABLE

ESTIMATED NUMBER OF
DOMES ON PORTION
OF ISLAND SHOWN: 84

DEEPEST DOME 1020 FT

SHALLOWEST DOME 15 1/2 FT

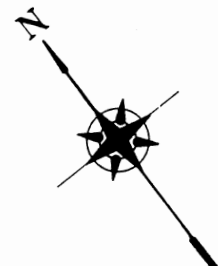
LARGEST FLOW 13,400 GPM

SMALLEST FLOW 27 GPM

ESTIMATED TOTAL FLOW
451,000 GPM

ESTIMATED POTABLE
252,500 GPM OR

363,600,000 GAL/DAY



Handwritten signature and date:
3-24-81



PAUL V. L. L. L. W. L. L. Y. 08332
TELEPHONE 609 825 5100

February 20, 1981

Senate Committee On The Environment
Assembly Committee On The Environment

State of New Jersey
Division of Legislative Information and Research
State House
Room 128
Trenton, New Jersey 08625

Attention: Senator Frank Dodd,
Assemblyman Robert Hollenbeck
Messrs. Michael Catania and Al Matioska

Re: Senate Bills Nos. 1610, 1611, 1612, 1613 and 1614

STATEMENT OF FRANK H. WHEATON, III

As I read all of the bills that will be discussed here today, the general tenor and thrust of the overall package seems to be to get the State more involved in the water business, to impose more regulations on the taxpayers in a field where the regulations are already overburdening and impose a debt on a statewide basis for projects that are local in nature and which would be better left to local authorities.

Senate Bill 1611, in three lines of legislation, could wipe out the farming and glass industry in southern New Jersey. Farmers and industry have already gone to great expense in sinking and maintaining wells for their own particular uses. Both the farming and glass industries are working on margins of profit that are sometimes so small that a few pennies can make the difference between a profit and a loss. With increased competition from out of state growers and increased competition from foreign manufacturers

and manufacturers located in states where the industrial climate is more conducive to profit making, the extra burden imposed by licensing fees and inevitable charge for water could very well spell the end to both industries in southern New Jersey.

Senate Bill 1612 squarely puts the state in the water business and gives it power to create debts without limit --- at least Senate Bill 1610 had a cap. In addition, Senate Bill 1612 makes the state the sole judge, in most cases, as to whether or not the state should be in the water business. This bill could create an inexhaustable supply of political jobs by simply issuing a regulation.

Senate Bill 1613 would allow the PUC to regulate and charge for water coming out of privately built, maintained and financed wells, as they say to make these operations self-sufficient and pay for the cost of management and regulation. Senate Bill 1611 would allow the takeover of private wells and 1613 will give the taxpayers the privilege of paying for the takeover.

Senate Bill 1614 allows the DEP to, in effect, have the power of condemnation and to force acquisition of small water companies by entities who may not want or need additional water companies. The state already has sufficient powers to handle water emergencies and giving them more power is just creating more governmental bureaucracy when less is needed, not more.

Lastly, it is my feeling that these proposed bills in sum are not designed for the best interests of all the populace of New Jersey, but are revenue raising measures and a method of creating an unlimited pool of political jobs that the political power brokers could tap whenever a political debt was due.

Respectfully,

Frank H. Wheaton, III

Statement by Assemblyman Joseph W. Chinnici to the Senate
Energy and Environment Committee public hearing concerning
Senate Bills 1610, 1611, 1612, 1613 and 1614. ①

Honorable committee members, I regret that I am unable to personally attend today's public hearing in Vineland but I am attending a public hearing in Trenton conducted by the Appropriations Committee, of which I am a member, to review the Governor's budget proposal of minimum aid to certain school districts.

I am, however, extremely concerned about the bills which are being considered here today because of their impact on the farmers, businesses and residents of South Jersey.

While North Jersey and South Jersey do receive similar amounts of rainfall throughout the year, we have both been affected by the recent drought in different manners. We are fortunate in South Jersey that we are situated over one of the greatest groundwater reserves in the world... the Cohansey aquifer.

The nature of our soil and strata allows rain water to soak into the ground and we have, over a long period of time, been able to utilize this water resource by developing artesian wells.

For this reason, it concerns me that North Jersey and South Jersey may be asked to operate under the same water control plan.

There is also concern on my part for the proposed bond issue.

The taxpayers of South Jersey are going to be asked to approve a total of \$345 million in water improvement projects. Of this, only \$65 million will be allocated for municipal water improvement projects. Cumberland and Cape May counties should expect to receive one-fortieth of this amount... that is \$1.62 million. Yet, there is no guarantee that this area will receive a single cent since no formula is specified in the measure.

There are many municipalities in South Jersey that surely would like to improve their water supply systems and I would like to see this measure amended to see that they are given consideration.

I am also deeply concerned over the negative impact

of Senate Bill 1611, one of the measures under consideration. The bureaucrats who administer the proposed Comprehensive Water Supply Program will be allowed to enact any rules, regulations and orders that they wish, and these regulations will carry the same power as law.

This is an idea that upsets me greatly. If the past provides any insight into how this might affect our water supplies, I find it safe to say that the bureaucrats who would be administering the Water Supply Program would be insensitive to local needs.

I feel it is the Legislature's job to enact the laws and not allow this task to be delegated to bureaucrats. Our Senators and Assembly members are elected by the people to establish the laws and this must continue.

One of the greatest dangers of having bureaucratic control of the water program would be that they would be free to enact any water taxes they please. I feel this is contrary to the New Jersey Constitution since it states that all revenue raising measures should originate in the General Assembly.

I am absolutely opposed to any taxation of water since it would result in a particular hardship to our farmers. Our farmers have already spent enormous amounts of money developing our water resources and they have maintained them in a responsible manner.

Of all the groups in New Jersey, the farmers are the most conservative and watchful of their use of water. Right now our farmers are experiencing tremendous increases in the cost of fuel, fertilizer, equipment and labor, and to even consider the addition of a water tax would be unreasonable and confiscatory.

We must also remember that agriculture with its open spaces is responsible for the vast majority of our groundwater recharge. ③

Therefore agriculture should not have any of its water rights cut, nor should these water rights be reallocated.

Finally, let me say that South Jersey is part of the statewide water supply masterplan itself, and this masterplan should be taken into consideration as this package of bills is considered.

The points I have mentioned are only a few of the flaws in the proposed water control bills. This is faulty legislation and I am going to do everything possible to stop these bills from being enacted into law as they presently stand.

I sincerely hope that this committee will give my remarks the most serious consideration and not release these bills in their present form.

Production
Credit Ass.

Walter Betts - Farmer - Pres. of P. C. A

Here to represent Farm Credit Assoc of Bridgeton

Supply the credit needs of ~~about~~ ^{over} 60% of the commercial farmers in the 4 South Jersey Counties. About 80% of these farmers have Irrigation systems and are large users of water. (Therefore a vital concern of Farm Credit Assoc.)

Irrigation is a vital necessity on our sandy South Jersey soils. North Jersey farmers do very little irrigating as compared to South Jersey.

Farmers are apprehensive of the N.J. D.E.P. They have no concept of Farmers Problems. One example of their inept management was the open burning regulations affecting farmers. N.J. the only State in the Union where farmers were prohibited from ^{open} burning. Has finally been released.

Most commercial farmers would use more than 100,000 gal of water a day.

The cost of metering systems, time consuming records keeping, permit fees and just plain harassment would take away the farmers incentive to continue

Any time during the summer if the sponsors of these bills could spend a few minutes at the Vineland Produce Auction, it would prove whether South Jersey agriculture is still viable. We would like to keep it that way.

If the state legislature wants to get rid of N. J. farmers, these regulations are a quick way of getting the job done. Should.

The name on our license plates ~~should~~ read Regulation State instead of Garden State.



MERCER COUNTY

208

WATER QUALITY PLANNING PROGRAM

Mercer County Planning Division • 640 South Broad St. • P.O. BOX 8068 • Trenton, N.J. 08650
PHONE (609) 989-6545

February 25, 1981

Subject: New Jersey State Water
Supply Legislation

The Honorable Frank J. Dodd, Chairman
New Jersey Senate Energy and Environment Committee
State House
West State Street
Trenton, New Jersey 08608

Dear Senator Dodd:

Attached please find Resolution #81-1 concerning the current New Jersey State Water Supply Legislation (S. 1610 through S. 1614) adopted at a recent meeting of the Mercer County Water Quality Management Policy Advisory Committee, the public advisory body to the "208" Water Quality Planning Program in Mercer County.

The resolution was passed by the following voting Policy Advisory Committee members:

Mercer County Soil Conservation District
East Windsor Township
Hamilton Township
Hightstown Borough
Hopewell Township
Lawrence Township
Princeton Borough
Agricultural Interest Groups
Civic Associations
Environmental Groups

There were no members opposed to the Resolution.

Please contact this office if further information is desired.

Very truly yours,

Robert A. Kull
WQM PROGRAM MANAGER

RAK/h

Attachment

February 25, 1981

Subject: New Jersey State Water
Supply Legislation

cc: Ms. Peggy D. McNeill, Chairman,
Mercer County WQM Policy Advisory Committee
Mr. Bill Mathesius, County Executive
Mercer County Board of Chosen Freeholders
N. J. Senate Energy and Environment Committee
N. J. Assembly Energy and Natural Resources Committee

MERCER COUNTY
WATER QUALITY MANAGEMENT
POLICY ADVISORY COMMITTEE

RESOLUTION #81-1

February 18, 1981

WHEREAS, the Policy Advisory Committee (PAC) of the Mercer County 208 Water Quality Management Program recognizes that water quality is to a large extent affected by water supply; and,

WHEREAS, the PAC recognizes that future potable and industrial water needs in Mercer County will be met either by ground water supplies in the County, by water flowing through the County through the Delaware and Raritan Canal, or by Raritan River water delivered to County residents through the Elizabethtown Water Company's transmission system or by the Delaware River; and,

WHEREAS, the PAC, in reviewing the package of water supply legislation (S.1610, S.1611, S.1612, S.1613, S.1614) introduced by the Governor on November 24, 1980 realized the bills may affect the availability of water in the Delaware and Raritan Canal, the Delaware River, and the Raritan River that provides for the needs of the County through projects proposed or changes in the laws governing diversions; and,

WHEREAS, the PAC, by virtue of its involvement with "208" areawide water quality management planning, is firmly committed to the concept of comprehensive water resource planning and that such planning should precede initiation of policy changes that affect related construction projects, the institutional framework within which decisions are made, and the laws and regulations which govern water management; and,

WHEREAS, the PAC is aware that the Summary of Consultants' Findings released by the State on February 10, 1981 does not constitute an adopted water resources management plan as it has not received the endorsement of the New Jersey Department of Environmental Protection nor been reviewed by the public; and,

WHEREAS, adoption of a comprehensive water resources management plan is essential if we are to avoid fragmented approaches to problem solving that have failed to produce effective solutions in the past; now, therefore,

BE IT RESOLVED, that the Mercer County Water Quality Management Policy Advisory Committee recommends that a comprehensive water resources management plan be used as the basis for decision making by the New Jersey Department of Environmental Protection, beyond those authorities already exercised by the Governor through Executive Order; and,

BE IT FURTHER RESOLVED, that the Mercer County Water Quality Management Policy Advisory Committee recommends to the Mercer County Executive, the Mercer County Board of Chosen Freeholders, the Mercer County Planning Board, the New Jersey Senate Energy and Environment Committee and the New Jersey Assembly Energy and Natural Resources Committee that action on bills S.1610-S.1614 (except for sections which confer emergency powers) be deferred, pending adoption of a comprehensive water resources management plan through a public participation process as stipulated in the Administrative Procedures Act.

my

PASSAIC RIVER COALITION

AN URBAN WATERSHED ASSOCIATION

246 MADISONVILLE ROAD, BASKING RIDGE, N. J. 07920 • PHONE (201) 766-7550

February 12, 1981

K
FEB 20 1981

Hon. Frank Dodd
Llewellyn Park
West Orange, N.J. 07052

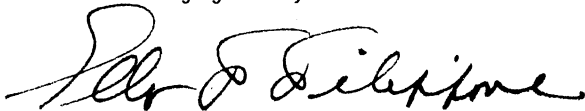
Dear Senator Dodd:

Enclosed is a copy of the testimony I presented before your committee on Tuesday.

We were able to obtain a copy of the Summary of Consultants, Findings, June, 1980, on the Water Supply Master plan. This document is a disappointment. For example, the 31 municipalities in Essex, Morris, Somerset and Union Counties (including WEST ORANGE), which are dependent on the ground water in the Buried Valley Aquifer, do not benefit from this master plan at all.

I was appointed to the Agenda Committee of the Statewide Water Supply Plan by Mayor Thomas H. Cooke, Jr. of East Orange, the Chairman of the Northeast Wastewater Management Policy Advisory Committee. I will be meeting with the Mayor next week, and hopefully, we will be able to discuss the shortcomings of this plan soon.

Sincerely yours,



Ella F. Filippone
Executive Administrator

EFF:mm1

Enclosure

cc: Mayor Thomas H. Cooke, Jr.

PASSAIC RIVER COALITION

AN URBAN WATERSHED ASSOCIATION

246 MADISONVILLE ROAD, BASKING RIDGE, N. J. 07920 • PHONE (201) 766-7550

RE: STATE WATER SUPPLY LEGISLATION

BEFORE: JOINT HEARING OF THE SENATE AND ASSEMBLY COMMITTEES ON ENERGY AND ENVIRONMENT, TRENTON, NEW JERSEY, FEBRUARY 10, 1981

The Passaic River Coalition is an urban watershed association, located in northeastern New Jersey and has been involved with water resources management for the past eleven years, concentrating on the Passaic River Basin. We served in leadership capacities in the Northeast Wastewater Policy Advisory Committee, and attended almost every meeting of the Agenda Committee for the Water Supply Master Plan (missing only one because of the gasoline crisis) and have read all of the consultants' outputs.

Having been an active member of the Agenda Committee, we are anxious to have an opportunity to review the final summary of recommendations, as we submitted extensive commentary, not only during the public meetings, but also in writing to the State on the outputs presented by the consultants. Those components taken from the consultants' reports which are found in the legislation we are discussing today have not been properly evaluated by the public. Perhaps those consultants, although world renowned, did not obtain the proper directives so that a total plan could be developed.

A particular aggravation to us is that the Bond Issue will do nothing to aid the drought stricken areas now or in the immediate future. Elements of the master plan, which were well received, such as the conservation output and the groundwater output, received little, if any, recognition in these bills.

As a watershed association, we have constantly supported a water conservation program, and an advance-survey of how conservation could be implemented on a long-term basis or on short notice. In 1980, during the deliberations on the New

Jersey DEP/EPA agreement, we were extremely critical that the State was not allocating any monies they were to receive from the U. S. Environmental Protection Agency on water conservation until 1983. During this planning process, symptoms of the drought were already beginning.

We need contingency plans within the DEP. Last summer we witnessed the dumping of raw sewage and industrial wastes into the Passaic River and no alternative plans. Now we hear reports of a straight line drop in water supply with no contingency plans. Droughts run in cycles, and our professional staffs should have known one was coming. A program should be established which initiates action when the water supply begins to drop so that we don't have a straight line drop but a demonstration of supply curves, changing as conditions continue to get worse. If we had a water supply master plan, we would be able to project capital needs into the future. We cannot do this kind of planning now, and, therefore, we suggest that these two committees of the New Jersey legislature direct the N. J. Department of Environmental Protection to do whatever is necessary to get the summary to all of us so that we are no longer in the dark regarding the final revision of the recommendations of the consultants and the DEP staff on the Master Plan.

S. 1610 - Bond Issue.

The Passaic River Coalition supports the Great Notch interconnection; it should be constructed as soon as possible.

With regard to the rehabilitation or repair of antiquated or damaged water systems, we have recommended to the Capital Budget and Planning Commission that (1) \$65 million be made available for a revolving loan program at low interest rates for private purveyors; (2) \$100 million be made available to aid public purveyors through a grant program, which would be administered through the DEP with substantial review by an oversight committee, composed of private citizens, environmentalists, water purveyors (who are not applying for funds), representatives of the legislature, and a representative of the Governor's office.

Furthermore, the DEP should begin now to provide us with engineering data on exactly what percentage of leakage occurs throughout the various systems and how much water is lost (mgd). It seems somewhat ludicrous to discuss providing more water to the urban areas, when we really don't know how much is being lost via leakage. Our discussions with water purveyors began at 30% and ended with 70%.

We have submitted two letters and an exhibit to the N. J. Commission on Capital Budgeting and Planning. They are attached hereto for your information. Basically we have addressed matters raised by the Commission, which we will briefly review at this time.

Re: Raritan-Passaic Pipeline. We question the economic justification for the construction of this pipeline. The State of New Jersey has already contributed substantial funds to upgrade sewage treatment plants in the Upper Passaic area -- Parsippany-Troy Hills, Morristown, Two Bridges, Berkeley Heights, Hanover Township. Several others are now at Step II and III; however, a review of the projects (attached as an exhibit) shows that most have been assigned low priorities. If 60 is the cut-off point, then major facilities, such as Rockaway Valley, Florham Park, Madison-Chatham, New Providence, Morris Township, Chatham, Montville, and Roxbury may not see the light of day. If all projects on the priority list today are funded, the State of New Jersey will be contributing during 1982-84 \$28,177,736; local government, \$59,877,489; federal government \$264,166,275; bringing the grand total to \$352,221,490.

Dilution is no solution to pollution. The State has done little to move forward the cause for advanced treatment under certain circumstances, and we believe several of the plants in the Upper Passaic, which impact sensitive ecological areas and our potable water supply, should be required to proceed to advanced wastewater treatment.

The statement made that we need this water for pollution abatement, thus, could be considerably altered within a few years time if New Jersey moves forward

on its construction grants program.

In addition, Osborne Pond, a small reservoir in the high headwaters of the Passaic River in Bernards Township could be utilized for flow augmentation. It has been abandoned for water supply so that it should be utilized for other worthwhile purposes.

Since the pipeline under discussion would be a substantial undertaking, we must further question its usefulness. At first glance, other routes might sound desirable; however, we must again refer to our discussions with our water purveyors and emphasize a fact brought out at the Lyndhurst hearing. We have been told that the Raritan-Passaic pipeline would be used only for drought conditions and to dilute the pollution, which is not all the time. However, when water distribution pipes do not transport water, infiltration occurs and the system cannot be used until extensive flushing occurs. Therefore, we must seriously question whether the proposed pipeline is only for drought and/or pollution abatement, but rather for continued usage. Since we have such apprehensions, we have gone further in our investigation on alternatives, and, thus, recommend no Raritan-Passaic pipeline.

First of all, it seems that the counties and municipalities in the lower Raritan Basin desire this water for their economic growth and wellbeing, an appropriate use.

Second, countless studies have demonstrated that large interbasin transfers are economically and ecologically not sound.

Third, the Passaic River Basin should be managed so that it provides adequate water supply to its citizens without taking from another watershed. We, therefore, have recommended to the Commission on Capital Budgeting and Planning that the following three projects be re-evaluated and that plans be developed:

1. In the Newark system: Dunker Pond, 9.6 billion gallons
2. In the Jersey City system: Longwood Valley, 6-10 billion gallons
3. In the North Jersey Water District: Monksville, 9 billion gallons

Fourth, we recommend that the State be directed to initiate a strong ground water protection program so that the extensive ground water resources in the Passaic River Basin are protected. At the present time, this ground water is being recycled after first usage and being treated by purveyors who withdraw from the main-stem Passaic and is being distributed throughout northern New Jersey. Were it not for the Buried Valley Aquifer, a federally designated "sole source" aquifer under the Safe Drinking Water Act, the crisis today would be much more severe. The tragic part of this chapter is that we don't even know how extensive the aquifer really is, since the USGS study published in 1976 stopped with the Millburn-Chatham channel. It recommended further study, but nothing has come of this recommendation.

Fifth, if we can initiate the development of additional reservoirs in the high headwaters of the Passaic River Watershed, the State should also develop a headwaters land management program so that the watersheds for these reservoirs continue to produce high yields with good quality. The courts, which are mandating $6\frac{1}{2}$ units per acre in environmentally sensitive headwaters municipalities, must be made to recognize the higher priority of a high quality, and adequate quantity potable water supply within watershed boundaries.

Sixth, for the immediate, an emergency pipeline should be constructed from Dundee Dam to the Hackensack service area. Last year when the pollution was at its worse, we in a limited fashion tested the water and found that the water quality improved by the time it got to Dundee. In addition, by taking the water at Dundee, the flow at the stretch between the Great Falls and Dundee would not be impaired, and the recharge necessary to the ground water supplies of several of the municipalities in that area would not be threatened, an issue never discussed during the Two Bridges hearings.

Seventh, a pipeline should be constructed to tie in Elizabethtown with Newark so that supplies can be delivered through that system.

Eighth, since we cannot predict how long the drought will last and how extensive it will be, additional measures should be taken, especially at this hour. Every municipality should have inspectors investigate leaks in its housing stock, especially abandoned buildings and take corrective measures.

Ninth, a program for retrofitting plumbing fixtures with water saving devices should be undertaken, not only by DEP, but through all agencies of the State. Studies show that a household of four could save as much as 124 gallons a day.

Tenth, a comprehensive water conservation program should be initiated throughout New Jersey industry. Many corporations do not require potable water for certain purposes; however, it takes time to install the capital equipment for recycling, and, thus, if we are to initiate a comprehensive program for industry, we must give them the time to undertake the in-plant changes. If done on a comprehensive basis, all citizens -- industrial and private will benefit.

Eleventh, a maintenance program with proper funding should be adapted in New Jersey. National studies have shown that reservoirs silt-up after years of usage. Dredging out the silts is a necessary part of water management, and is an element which should be under the regulation and enforcement of the State.

Finally, twelve, the State must initiate investigations to other methods of providing water to our citizens. Many years ago a desalination plant was developed on a pilot basis in the Hackensack Meadowlands, but failed. Perhaps, new technology can be more successful. The State should not consider technologically innovative methods as kooks, but should establish an evaluation program to determine whether such efforts could be adapted in New Jersey.

With regard to other projects found in S.1610, as an agency working in the Passaic River Valley, we will not attempt to comment on the remaining projects, as we firmly believe in watershed management, and those projects we have addressed are the only ones which impact the Passaic.

Regarding S. 1611

We question whether the revision of the permit systems has any great value; since the State is already aware of grandfather rights and the purveyors who hold them are most aware, the revision seems to be more of a make-work project than anything else.

Section 12 a. We support the maintenance of a water supply master plan and strongly suggest that added to this clause/^{be}the phrase "in accordance with appropriate environmental safeguards."

We cannot support Section 17 of this bill, which abolishes the Water Policy and Supply Council. The Council has never had sufficient staff to service its needs; it has, however, provided an impartial group of citizens to evaluate projects presented to it. If anything, the Council should be provided the kinds of in-house services any good Committee needs to function properly. In addition, the review process should be totally open so that it is not necessary to have counsel present if issues should be raised, when of reasonable nature. Democracy would be taking a step backwards if the Water Policy and Supply Council were abolished and all powers were given to the N. J. Department of Environmental Protection with only the courts to turn to. That would be a great disservice to the less affluent applicant or advocate in particular.

This bill should also parallel components of the Federal statutes. For example, there is no public participation component outlined in this legislation; however, the DEP would be permitted to apply for and receive funds from the federal government. Yes, then the State would be required to institute a public participation program, but it should have one anyway because such a forum provides a review and airing of discontent; it provides for the resolution of conflict, and if undertaken ethically saves time and money.

S. 1612 - the State Water Supply Utility Act. Every so often a bill is presented recommending the establishment of another authority or another level of government. In previous years, a flood control authority was evaluated by the N. J.

legislature as well as several other projects involving authoritarian institutions. Always, the people have rejected such a method. For years, we have tried to obtain information from such agencies regarding future plans, financial data, operations and maintenance proceedings, and a dearth of other subjects. It's impossible. These agencies are only responsible to their bondholders or in this case to the State, and would only become a super agency, with few if any of the checks and balances found within the Executive branch of state government, good or poor as it sometimes is.

Since the State is already in the water business, it should attempt to continue to manage the Delaware and Raritan Canal, Spruce Run-Round Valley under the present system, and not undertake programs in the water business in the future. The State should be the regulator, the enforcer, not the purveyor. Otherwise, we are sure to run into conflicts of interest.

S. 1613 - PUC - jurisdiction

Since several of the large publicly-owned purveyors are not subject to PUC rate review but must submit requests to their municipal constituents, we favor keeping the status quo. Bringing all these purveyors under the PUC will only add to the cost of operating, which will be borne by the consumer.

Instead, a mechanism might be developed whereby a majority of citizens in such a service area might appeal to have such water purveyor brought under the jurisdiction of the PUC for compelling reasons. However, we view an across-the-board regulation as unnecessary at this time.

S.1614 - Small water companies

There is something wrong when the State directs the takeover of small poorly run water companies by some other company. We recognize the many problems these small water companies present to the State; however, this issue requires additional evaluation so that such an undertaking does not become counterproductive.

Perhaps a first step would be not to permit franchise areas smaller than 1,000 customer connections, or whatever figure is determined to be fair.

In conclusion, we are disappointed with the lack of thoroughness in the water supply legislative package. Had the so-called water supply master plan been thoroughly evaluated, perhaps, we would be farther along than we are today. Questions would have been raised regarding the price tag on the Raritan-Passaic pipeline --- why hasn't the price gone up since 1965? All plans have used 1970 population figures with projections extrapolated therefrom --- don't we know that northeastern New Jersey is losing population? and shouldn't adjustments be made accordingly?

We respectfully request that these Committees direct that the water supply master plan hold its public hearings,^{and} that a comprehensive report with minority views from members of the Agenda Committee be submitted to these two committees, so that as we continue to plan for water supply in New Jersey, the best possible legislation can be developed.

Thank you.

PASSAIC RIVER COALITION

AN URBAN WATERSHED ASSOCIATION

246 MADISONVILLE ROAD, BASKING RIDGE, N. J. 07920 • PHONE (201) 766-7550

February 9, 1981

Mr. Eugene Jacobson, Chairman
N. J. Commission on Capital Budgeting and Planning
Kelsey Building - Room 501
101 West State Street
Trenton, New Jersey - 08625

Dear Mr. Jacobson:

RE: WATER SUPPLY BOND ACT OF 1981

Inasmuch as the water supply issue must begin resolution immediately, we have been devoting most of our time in reviewing the potential long and short-term solutions as they relate to the Governor's water legislation.

Thus, we have come to the following conclusions and urge your considerations of them as well.

1. The Great Notch interconnection should move forward quickly and efficiently.
2. More funds are required for the repair of infrastructure (leaky pipes) than \$65 million. You might consider \$65 million for revolving loans at low interest rates and \$100 million for grants to public agencies which would be administered through the DEP with substantial review by an oversight committee, composed of private citizens, environmentalists, water purveyors (not applying for funds), representatives of the legislature and the Governor's Office.
3. Provide funds to the N. J. Department of Environmental Protection immediately to develop a comprehensive contingency plan for drought. Part of this program could be the construction of the pipeline from Dundee Dam to the Hackensack Water Company distribution area.
4. Development of a plan for a pipeline for the Raritan River Basin (not the Passaic-Raritan) with the interconnection at Commonwealth and one to be finalized between Elizabethtown and Newark.
5. The development of plans for three headwaters reservoirs; all have had preliminary work done in the past, as follows:

For Newark: Dunder Pond; capacity: 9.6 billion gallons

For Jersey City: Longwood Valley Reservoir; capacity: 6-10 billion gallons

For North Jersey Water District: Monksville; capacity: 5 billion gallons

February 9, 1981

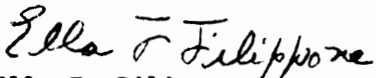
Our survey shows that the construction of these three reservoirs would aid considerably to the water supply component within the Passaic River Basin itself. The key issue, however, is financing, which should be worked out with the present owners of the land, all public agencies.

By developing these headwaters reservoirs to be used on a stand-by basis, the State would begin carrying out an important program depending on watershed planning. Shunting water from one watershed to another has always been universally recognized as being poor policy. By providing water from within the watershed, interconnections, such as the Great Notch, can provide the flexibility necessary for better management.

6. Osborn Pond in Bernards Township should be utilized for low flow augmentation; hence there is no need for the pipeline as this reservoir was abandoned as a source of water supply. In addition, the upgrading of sewage treatment plants in the upper Passaic will make the need for dilution a questionable benefit.
7. Finally, policy regarding the development of any capital project should stipulate that planning should be funded on a singular basis. The agency should then return to the Commission with all of its pieces together, including public support and accurate projections of time and financial needs for engineering design and implementation. Full environmental impacts should have been analyzed at this time.

If you or any members of the Commission require a more detailed commentary on the conclusions contained in this letter, please let us know.

Very truly yours,



Ella F. Filippone
Executive Administrator

EFF:jeh

PASSAIC RIVER COALITION

AN URBAN WATERSHED ASSOCIATION

246 MADISONVILLE ROAD, BASKING RIDGE, N. J. 07920 • PHONE (201) 766-7550

January 28, 1981

Mr. Eugene Jacobson, Chairman
N.J. Commission on Capital Budgeting & Planning
Kelsey Building, Room 501
101 West State Street
Trenton, New Jersey - 08625

Dear Mr. Jacobson:

Re: Water Supply Bond Act of 1981

At the last meeting of the New Jersey Commission on Capital Budgeting and Planning, Mr. James Gaffney, representing the New Jersey Water Supply Coalition, submitted a calculation of planned expenditures for fiscal year 1982-84 for wastewater collection and treatment in the Passaic River Basin, for the area which would obtain the dilution factor of the proposed Raritan-Passaic pipeline. Please note that only 14 of the projects in the Passaic River Basin fall under the 100 priority, and if 60 is the cut-off point, then only 12 have a chance at funding. An administrative action on the part of DEP could raise priorities so that many of these much needed projects go on line.

We are well acquainted with the pollution problems of the Passaic River, and it would seem logical to have some better understanding of how water quality will be improved when the new treatment plants are built. For the past ten years, under 201 planning, the question of need for denitrification, advanced waste treatment, phosphate removal, etc., has never been clearly established. We believe advanced treatment is necessary for certain plants, but certainly not all. Each should be evaluated on a case-by-case basis. This has not yet been done, and if it has, no public announcements have been made, and we have served on all 201 advisory committees in the freshwater Passaic, and are usually the only ones left at the meetings.

At the most recent hearing, Senator Hamilton raised issues, which we believe need further evaluation. He indicated that he believed advanced treatment should be pursued and funded (Dilution is no solution to pollution!). We agree!!

He asked a question regarding the potential flooding impact from the Raritan-Passaic pipeline. We believe there could be a detrimental effect, depending on the management of such a pipeline. The Passaic River inland wetlands have successfully held considerable floodwaters because they are not constantly saturated. Without extremely careful management programs, the regimen of the system could be altered to the detriment of people in the most floodprone areas.

It does not seem to be cost effective to bring in relatively good water from Round Valley to get silted-up in the Passaic River Basin (this phenomenon is from the

natural system, since the river flows through the ancient Lake Passaic, heavy in silt).

As a member of the Agenda Committee for the Water Supply Master Plan, I raised the issue of repair of infrastructure many times. A Congressional study identified leaking pipes as the most critical problems in the northeastern part of the United States. \$65 million is a small amount of money to appropriate for a problem, which requires well over \$365 million to alleviate. If the worst leaking pipes were repaired properly or replaced, how much water would be saved? From discussions with water engineers, the percentage of loss is high per day. Perhaps if we had some knowledge of the answer to the above question, we might better be able to respond to the actual need to bring in additional water for the northeastern part of New Jersey.

We support the Great Notch interconnection; it is long overdue, and is a true response to the drought problem.

During the deliberations on the outputs for the water supply master plan, considerable discussion took place regarding the subsidization of private water companies by public funds. Although we recognize the intent behind the statement "for the public good," we must challenge the utilization of state funds for profit-making corporations as improper usage. Equity must be reached, and we cannot support the construction of facilities, which will provide a windfall for any private corporation.

A project has been brought to our attention, which we believe should be further investigated in conformance with this Bond issue. The following is an excerpt from a report dealing with "Sources of Water Supply."

"It has been apparent during the 1961 to 1967 drought that additional storage, if capable of being filled, would be a distinct asset. Explorations have been made in the past in connection with raising some of the dams on existing reservoirs. This is still possible, and in some cases is considered feasible. A further advantage, however, may be gained by adding substantially to the storage, and this is possible by constructing a dam and dike in the area of the present Dunker Pond. By raising the flow line of this reservoir to elevation 1100, an additional storage of 9 billion gallons may be obtained. This would create a total storage ratio of approximately 100%, which is greater than that of any of the existing large reservoir systems in northeastern New Jersey. Such, an increase in storage would be justified if water from an outside source, such as herein proposed, is available.

It is possible to raise the water another hundred feet to fill the Dunker Pond enlarged reservoir, either by having increased pumping at the initial point, or by installing a booster system near Stockholm to raise only that portion of the water diverted to Dunker Pond, permitting the balance to flow directly downstream to Oak Ridge and Charlotteburg Reservoirs."

January 28, 1981

The report goes on to state:

"It is presently estimated that this plan will result in nearly doubling the yield potential of the Pequannock system. The question will eventually rise as to how best to dispose of this much water."

The report continues stating the advantages to the City of Newark, the Manaque Reservoir, which can then be transferred to the people in northeastern New Jersey. Certainly institutional issues would have to be worked on, since the site is owned by the City of Newark. However, with the many types of financial arrangements available, it would seem that such an effort would not be insurmountable. In addition, it is important to note that during the hearings on the Two Bridges diversion, the Water Policy and Supply Council recommended the development of Dunker Pond.

WHY HAVEN'T WE HEARD ANYTHING ABOUT THIS PROJECT FOR THIS BOND ISSUE?

Another small reservoir, Osborn Pond, Bernards Township, was abandoned in the past few years. It still belongs to Commonwealth Water Company, I believe. Why can't some arrangements be made to use this water in times of drought? This question points up the lack of management on water supply issues.

Why isn't money being requested for the dredging of existant reservoirs? Boonton Reservoir, for example, is badly silted-up. It needs a management program. Such facts haven't been addressed at all.

As the watershed association for the Passaic River Basin, we are vitally concerned with the decisions this Commission is going to make in the next few weeks. If there is any way we may be of assistance, please call upon us. Because of the many problems facing our river systems, we have spent many weary hours deliberating on the issues of water quality and supply. We take no position on other projects in the Bond issue, since we serve as advocates for the Passaic River Basin, New Jersey's most stressed natural system.

Very truly yours,



Ella F. Filippone
Executive Administrator

EFF:mmi

PASSAIC RIVER COALITION

AN URBAN WATERSHED ASSOCIATION

246 MADISONVILLE ROAD, BASKING RIDGE, N. J. 07920 • PHONE (201) 766-7550

The attached statement shows that during 1982-84, seven (7) of the publicly owned treatment works on the Upper Passaic and four (4) in the Whippany/Rockaway systems will proceed to final construction. These are the last of the plants to be improved in this part of the Passaic River Watershed, since Parsippany-Troy Hills, Berkeley Heights, and Morristown were funded in previous years.

The total cost to the taxpayer is \$352,221,490. New Jersey's 8 per cent share totals \$28,177,736. Included in these figures, of course, are the development of interceptor sewers and collection systems; however, it should be noted that the major cost expenditure is for wastewater treatment plants.

PLANNED EXPENDITURES (FY 1982-1984) FOR WASTEWATER COLLECTION AND TREATMENT: PASSAIC BASIN, DOWNSTREAM TO TWO BRIDGES
1. MAIN-STEM PASSAIC RIVER

| Applicant | Priority No. | Project Step | Project Description | Funding | | | Total |
|-----------------------------|--------------|--------------|---|-----------|-----------|------------|------------|
| | | | | State | Municipal | Federal | |
| W. Caldwell Borough | 34 | III | Pump Stations, Force Mains | 70,400 | 149,600 | 660,000 | 880,000 |
| Caldwell Borough | 38 | II | Wastewater Treatment Plant | 176,000 | 374,000 | 1,650,000 | 2,200,000 |
| | | III | DITTO | 2,136,000 | 4,539,000 | 20,025,000 | 26,700,000 |
| Passaic Twp/Warren Township | 39 | II | Wastewater Treatment Plant and Interceptor Sewers | 96,000 | 204,000 | 900,000 | 1,200,000 |
| | | III | DITTO | 1,144,000 | 2,431,000 | 10,725,000 | 14,300,000 |
| Bernards Twp. S.A. | 40 | III | Wastewater Treatment Plant | 1,364,480 | 2,899,520 | 12,792,000 | 17,056,000 |
| | | III | Interceptor Sewers, Pump Stations, Force Mains | 719,280 | 1,528,470 | 6,743,250 | 8,991,000 |
| Livingston Twp. | 55 | III | Sewer System Rehabilitation | 60,000 | 127,500 | 562,500 | 750,000 |
| Passaic Twp. | 56 | I | Planning | 4,000 | 8,500 | 37,500 | 50,000 |
| Morris Twp. | 106 | III | Collection System | 64,000 | 136,000 | 600,000 | 800,000 |
| Florham Park S.A. | 111 | II | Wastewater Treatment Plant | 91,600 | 194,650 | 858,750 | 1,145,000 |
| | | III | DITTO | 916,080 | 1,946,670 | 8,588,250 | 11,451,000 |

| Applicant | Priority No. | Project Step | Project Description | State | Funding | | |
|---|--------------|--------------|---|-----------|-----------|------------|------------|
| | | | | | Municipal | Federal | Total |
| Florham Park Borough | 112 | III | Collection System | 14,000 | 29,750 | 131,250 | 175,000 |
| Pequannock, Lincoln Park & Fairfield S.A. | 136 | III | Interceptor Sewers, Pump Stations, Force Mains | 344,000 | 731,000 | 3,225,000 | 4,300,000 |
| Lincoln Park Borough | 138 | III | Pump Stations, Force Mains, Collection Systems | 178,856 | 380,069 | 1,676,775 | 2,235,700 |
| Madison-Chatham Joint Meeting | 148 | II | Wastewater Treatment Plant | 96,000 | 204,000 | 900,000 | 1,200,000 |
| | | III | Wastewater Treatment Plant | 880,000 | 1,870,000 | 8,250,000 | 11,000,000 |
| New Providence Borough | 149 | II | Wastewater Treatment Plant | 28,800 | 61,200 | 270,000 | 360,000 |
| | | III | DITTO | 262,400 | 557,600 | 2,460,000 | 3,280,000 |
| Morris Township Woodland | 150 | II | Wastewater Treatment Plant | 80,000 | 170,000 | 750,000 | 1,000,000 |
| | | III | DITTO | 800,000 | 1,700,000 | 7,500,000 | 10,000,000 |
| Chatham Township | 151 | II | Wastewater Treatment Plant, Interceptor Sewers, Collection System | 69,680 | 148,070 | 653,250 | 871,000 |
| | | III | DITTO | 1,248,000 | 2,652,000 | 11,700,000 | 15,600,000 |
| Montville Township M.U.A. | 167 | I | Planning | 36,000 | 76,500 | 337,500 | 450,000 |
| | | II | Interceptor Sewers, Pump Stations, Force Mains, Collection System | 128,000 | 272,000 | 1,200,000 | 1,600,000 |
| | | III | DITTO | 2,640,000 | 5,610,000 | 24,750,000 | 33,000,000 |

| Applicant | Priority No. | Project Step | Project Description | State | Municipal | Federal | Total |
|------------------|--------------|--------------|---------------------------------------|------------|------------|-------------|-------------|
| Warren Twp. S.A. | 204 | III | Interceptor Sewers, Collection System | 454,912 | 966,688 | 4,264,800 | 5,686,400 |
| Subtotals: | | | | 14,102,488 | 29,967,787 | 132,210,825 | 176,281,090 |

2. Whippany-Rockaway Rivers

| | | | | | | | | |
|-----|--------------------------------|----|-----|-----------------------------|-----------|-----------|------------|------------|
| 40x | Morristown | 30 | III | Interceptors Sewers | 176,000 | 374,000 | 1,650,000 | 2,200,000 |
| | Roxbury Township | 36 | II | Collection System | 26,000 | 55,250 | 243,750 | 325,000 |
| | | | III | DITTO | 320,000 | 680,000 | 3,000,000 | 4,000,000 |
| | Hanover Twp. S.A. | 49 | II | Sewer System Rehabilitation | 2,400 | 5,100 | 22,500 | 30,000 |
| | | | III | DITTO | 4,000 | 8,500 | 37,500 | 50,000 |
| | Parsippany-Troy Hills Township | 50 | II | Sewer System Rehabilitation | 192 | 408 | 1,800 | 2,400 |
| | | | III | DITTO | 1,920 | 4,080 | 18,000 | 24,000 |
| | Livingston Twp. | 55 | III | Sewer System Rehabilitation | 60,000 | 127,500 | 562,500 | 750,000 |
| | Passaic Township | 56 | I | Planning | 4,000 | 8,500 | 37,500 | 50,000 |
| | Rockaway Valley Regional S.A. | 62 | II | Wastewater Treatment Plant | 345,120 | 733,180 | 3,235,500 | 4,314,000 |
| | | | III | DITTO | 3,520,000 | 7,480,000 | 33,000,000 | 44,000,000 |
| | Rockaway Valley Regional S.A. | 85 | II | Sewer System Rehabilitation | 32,000 | 68,000 | 300,000 | 400,000 |
| | | | III | DITTO | 320,000 | 680,000 | 3,000,000 | 4,000,000 |

| Applicant | Priority No. | Project Step | Project Description | State | Municipal | Federal | Total |
|-------------------------------|--------------|--------------|---|-----------|-----------|------------|------------|
| Hanover Twp. S.A. | 104 | I | Planning | 4,400 | 9,350 | 41,250 | 55,000 |
| | | II | Interceptor Sewers | 7,520 | 15,980 | 70,500 | 94,000 |
| | | III | DITTO | 120,000 | 255,000 | 1,125,000 | 1,500,000 |
| Hanover Twp. S.A. | 141 | II | Wastewater Treatment Plant | 168,000 | 357,000 | 1,575,000 | 2,100,000 |
| | | III | DITTO | 1,496,000 | 3,179,000 | 14,025,000 | 18,700,000 |
| Morris Twp.-Butterworth | 142 | II | Wastewater Treatment, Interceptor Sewers | 112,000 | 238,000 | 1,050,000 | 1,400,000 |
| | | III | DITTO | 1,120,000 | 2,380,000 | 10,500,000 | 14,000,000 |
| Rockaway Valley Regional S.A. | 161 | I | Planning | 12,000 | 25,500 | 112,500 | 150,000 |
| | | II | Interceptor Sewers | 12,000 | 25,500 | 112,500 | 150,000 |
| | | III | DITTO | 120,000 | 255,000 | 1,125,000 | 1,500,000 |
| Rockaway Twp. | 162 | II | Pump Stations, Force Mains, Collection System | 24,400 | 51,850 | 228,750 | 305,000 |
| | | III | DITTO | 160,000 | 340,000 | 1,500,000 | 2,000,000 |
| Wharton S.A. | 163 | I | Planning | 2,000 | 4,250 | 18,750 | 25,000 |
| | | II | Collection System | 4,800 | 10,200 | 45,000 | 60,000 |
| | | III | DITTO | 60,000 | 127,500 | 562,500 | 750,000 |
| Denville Twp. | 164 | II | Collection System | 21,416 | 45,509 | 200,775 | 267,700 |
| | | III | DITTO | 880,000 | 1,870,000 | 8,250,000 | 11,000,000 |
| | | III | DITTO | 600,000 | 1,275,000 | 5,625,000 | 7,500,000 |
| Mine Hill Twp. | 165 | III | Pump Stations, Force Mains, Collection System | 181,120 | 384,880 | 1,698,000 | 2,264,000 |

| Applicant | Priority No. | Project Step | Project Description | State | Municipal | Federal | Total |
|-----------------------|--------------|--------------|--|------------|------------|-------------|-------------|
| Randolph Township MUA | 166 | II | Interceptors Sewers, Pump Stations, Collection System, Force Mains | 5,600 | 11,900 | 52,500 | 70,000 |
| | | III | DITTO | 72,800 | 154,700 | 682,500 | 910,000 |
| Mt. Arlington Borough | 184 | I | Planning | 3,000 | 6,375 | 28,125 | 37,500 |
| | | II | Collection System | 24,000 | 51,000 | 225,000 | 300,000 |
| | | III | DITTO | 240,000 | 510,000 | 2,250,000 | 3,000,000 |
| Jefferson Township | 186 | I | Planning | 12,000 | 25,500 | 112,500 | 150,000 |
| | | II | Collection System | 150,000 | 318,750 | 1,406,250 | 1,875,000 |
| | | III | DITTO | 2,606,560 | 5,538,940 | 24,436,500 | 32,582,000 |
| Roxbury Township | 211 | II | Wastewater Treatment Plant | 48,000 | 102,000 | 450,000 | 600,000 |
| | | III | DITTO | 320,000 | 680,000 | 3,000,000 | 4,000,000 |
| East Hanover Twp. | 105 | II | Interceptor Sewers, Pump Stations, Collection System, Force Mains | 36,000 | 76,500 | 337,500 | 450,000 |
| | | III | DITTO | 640,000 | 1,360,000 | 6,000,000 | 8,000,000 |
| | | Subtotals: | | | 14,075,248 | 29,909,702 | 131,955,450 |
| GRAND TOTAL | | | | 28,177,736 | 59,877,489 | 264,166,275 | 352,221,490 |



The Edison Chamber of Commerce

Serving Business, Industry and Professions At the Crossroads of New Jersey

1974 LINCOLN HIGHWAY, P.O. BOX 281, EDISON, NEW JERSEY 08817

(201) 287-1951

February 20, 1981

RECEIVED

FEB 23 1981

The Honorable Frank J. Dodd
Senator, District 26
300 Main Street, Suite 3-E
Orange, New Jersey 07050

Dear Senator Dodd:

Enclosed is a resolution approved by The Board of Directors of The Edison Chamber of Commerce which is to be included as a part of the record of your hearings concerning the Water Resource Management Legislation, Senate 1610-1614 and Assembly 2345-2349.

As Edison, New Jersey is one of the major growth areas in the state of New Jersey in regards to both population and business/industry growth, we are deeply concerned that the present proposed legislation does not take into consideration our long range water needs. We are also concerned that the present proposals do not take into consideration the long range water needs of the entire state. We see no plans or proposals to create more water reserves--only a shifting of reserves.

We, therefore, have included in our resolution a request for the revitalization of the "Tocks Island Dam" project and ask that it be brought by legislative resolution to the Governor and State Congressional Representatives as the solution to long range water needs of the entire state.

We have also stated in our resolution the water needs of our local Edison community and Middlesex County that we feel must be included in any Water Resource Management Legislation.

We also object to any State control as proposed and that the "grandfather" rights be maintained.

Appreciating your attention and recording of this resolution as a part of the hearing record, I am

Sincerely yours,

Gloria B. Bloomfield

Gloria Bloomfield, First Vice-President and
Chairperson of the Governmental Division of
The Edison Chamber of Commerce

GB/dm
Enc.

RESOLUTION

THE EDISON CHAMBER OF COMMERCE

POSITION ON THE NEW JERSEY WATER SUPPLY

MANAGEMENT STRATEGY

(SENATE BILLS S-1610-1614;AND ASSEMBLY BILLS A-2345-49)

WHEREAS, The Edison Chamber of Commerce (known hereafter as the Chamber) is composed of 320 commercial and industrial members, representing the second largest municipality in Middlesex County and employing more people than any other municipality in Middlesex County, are concerned with and dedicated to the enhancement and promotion of economic, commercial, industrial, professional, culutral, educational and civic development of Edison;

WHEREAS, the Chamber recognizes the critical need for adequate and reasonably priced public and private water supplies and supply protection required to support our existence and future economic vitality;

WHEREAS, recent data from the New Jersey Department of Labor and Industry has indicated that the Township of Edison has grown by over 20,000 private sector jobs from 1972 through 1978;

WHEREAS, the Township of Edison now contains over 42,6000 jobs and 70,126 persons;

WHEREAS, current water supplies used within the Township of Edison are estimated by the Middlesex County Planning Board (M.C.P.B.) at about 10 million gallons per day (MGD), with industry and business requiring an estimated 5.1 MGD;

WHEREAS, the Township of Edison is serviced by the Middlesex and Elizabethtown Water Companies, that have diversion rights from the Raritan River, Delaware and Raritan Canal, and groundwater sources;

WHEREAS, these supplies have come under stress recently as a result of a lack of adequate rainfall, a lack of sufficient additional supplies to supplement overall needs in the face of our growing water demands, random pollution and the need for effective management of our water resources;

WHEREAS, this stress is evident as a result of a cut-back in allocation of surface water used by our purveyors and causing mandatory rationing.

WHEREAS, the M.C.P.B. projects commercial and industrial water needs within the Township of Edison alone to increase by at least an additional 2 MGD within the next nineteen years, while the Township and County's overall needs increase by over 5 and 46 MGD respectively;

WHEREAS, immediate and reliable new supplies and effective water management programs are needed in keeping with our investments, interests and existing property rights to continue to support this, one of the strongest and most vital economic municipalities in the State of New Jersey;

WHEREAS, the M.C.P.B., its Water Supply Advisory Committee, County Health Department, and the Lower Raritan Basin's Water Resources Association have endorsed and/or are pursuing specific projects and programs that would address the water supply and management needs of the County, including but not limited to:

- (1) immediate improvements to the Delaware and Raritan Canal;
- (2) development of the Six Mile Run Reservoir;
- (3) immediate augmentation and protection of remaining ground and surface supplies in the County;

- (4) a fair share of available, unallocated and reasonably priced water from the Round Valley/Spruce Run Reservoirs;
- (5) continued water resource management through institutional improvements; and
- (6) implementation of the County Environmental Health Act;

WHEREAS, the State of New Jersey has proposed recently a set of five bills, similar in both the Senate (S-1610-14) and Assembly (A-2345-49) that are intended to meet immediate and longer term water supply and management needs for purposes of the public's "health, safety, welfare, commerce and prosperity" throughout the State of New Jersey;

WHEREAS, as now written, these bills (S-1610 and A-2345) do not address the immediate and longer range water supply needs of the Lower Raritan Basin, nor do they reflect any of the endorsed water supply priorities within Middlesex County and as noted above;

WHEREAS, these bills could result in the diversion of existing unallocated water supplies of 80-MGD from the Round Valley/Spruce Run Reservoir in the Raritan Basin and River to other areas of the State, vis-a-via the proposed Raritan-Passaic Pipeline, and without specifically defined and cost-effective projects that would provide our Basin with an adequate source to meet our water needs at reasonable prices;

WHEREAS, as now written, these bills (S-1611 and A-2346 Section) set up a mechanism to allow for the abolishment of "grandfather" diversion rights for many of our industrial and business wells through yet to be determined administrative standards and procedures of the New Jersey Department of Environmental Protection;

WHEREAS, as now written, the Bills as a package will impose costs upon the water users of the State, including allowing the New Jersey Department of Environmental Protection to condemn as property of the State and to establish fees for the use of groundwater resources; these fees are not clearly designated for, nor have they been shown to reflect actual needs for water resource management in the State in a manner that insures that the needs of the entire state will be equitably and efficiently met; and

WHEREAS, as now written, the Bills as a package do not require sufficient notification and continuing participation of appropriate interests such as business, industry and local governmental officials in the development of the program development and decision making processes that will result from these Bills;

NOW THEREFORE, BE IT RESOLVED that the Edison Chamber of Commerce strongly urges that the State legislature and administration revise the bills in keeping with the immediate and longer range water supply needs of industry and business, and our labor force and population market throughout Edison Township and Middlesex County;

BE IT FURTHER RESOLVED that the revitalization of the "Tocks Island Dam" project be brought by legislative resolution to the Governor and State Congressional Representatives as the Solution to the long range water needs of the entire state.

BE IT FURTHER RESOLVED that in the event these bills are moved we suggest these immediate priorities be included:

- (1) immediate improvements to the Delaware and Raritan Canal, Lawrence Brook, Farrington Lake and Raritan River;
- (2) augmentation and protection of our exesting surface groundwater resources, Farrington and Old Bridge Sands, in

keeping with locally adopted master plans, overall economic development plans, and related functional programs;

(3) development of the Six Mile Run Reservoir; and

(4) a fair share of unallocated water from the Round Valley/ Spruce Run Reservoirs and at reasonable prices in keeping with water supply and quality needs from and in the Raritan River;

BE IT FURTHER RESOLVED that the disposition of "grandfather" diversion rights be maintained in keeping with the current property rights and values of same, as well as the existing and future water supply needs of the current holders of these rights;

BE IT FURTHER RESOLVED, that the establishment of fees for any water use established under these Bills be subject to economic impact and efficiency analysis to clearly identify that the generated revenues will be utilized efficiently to meet water resources management objectives in relation to the benefits and service provided to the users of the resources and that fees are imposed equitably; and

BE IT FURTHER RESOLVED that there must be established within this legislation an on-going mechanism for participation of effected parties, including business, industry and local government, in the implementation of activities especially under the Water Supply Management Act and Water Supply Utility Act and for the determination of long range project plans, programs and processes as a basis for Bond issue authorization.

BE IT FURTHER RESOLVED that until such time as these recommendations of the Chamber are incorporated into respective bills, we find the current legislation out of keeping with the stated purpose to promote the publics "health, safety, welfare, commerce and prosperity" in the Raritan Valley;

BE IT FURTHER RESOLVED that copies of this resolution shall be transmitted to legislative members of the Joint Senate and Assembly Committee on Energy and Environment, our state legislative delegation, the Middlesex County Board of Chosen Freeholders, Mayor and Town Council of Edison, the Middlesex County Planning Board, the Middlesex County/Lower Raritan Basin Water Resources Association and the Middlesex County Health Department.



FOR THE EDISON CHAMBER OF COMMERCE
MIDDLESEX COUNTY
STATE OF NEW JERSEY

PRESIDENT

John J. Logan DATE 2/20/81

TESTIMONY BEFORE THE NEW JERSEY SENATE
COMMITTEE ON ENERGY AND ENVIRONMENT

My name is Carl Hintz and I am chairman of the Legislative Committee of the New Jersey Chapter, American Planning Association. Our committee has reviewed the proposed Senate bills S-1610, 1611, 1612, 1613, and 1614. We feel legislation in this area is very needed and, of course, vital to the welfare and future of the State. However, there are several concerns that we have with these bills and we would like to present them to you in a positive and helpful fashion. I realize our comments may be repetitious on some areas, but they are worth emphasis.

S-1610 - In the preamble to this legislation several points are raised. The bill mentions the importance of the statewide water supply plan and while the New Jersey statewide water supply plan has been known to have been completed in final draft, as yet the document has not been printed nor widely distributed. In fact, it has not yet gone to public hearings. Therefore, it does raise many concerns that the proposed legislation cannot be confirmed with the Statewide Water Supply Plan. Secondly, it is noted that the rehabilitation and repair of antiquated water supply systems should be carried out, which we totally support. The other projects are not confirmed since we are not in receipt of the copy of the Statewide Water Supply Plan.

The one project that raises some skepticism is the proposed diversion from the Raritan Basin to the Passaic Basin of waters from the Round Valley and the Spruce Run reservoirs. It is our understanding that this water will be used to supplement the low flows in the Passaic River due to the high pollution levels during dry seasons as well as to provide for additional water to service some of the older urban areas. There are several concerns with this.

First, it is the fact that the diversion from any major drainage basin to another raises potentially damaging environmental impacts. We recommend adequate study by the consultants to the Department of Environmental Protection be conducted for this diversion and reviewed from an environmental impact standpoint. Parenthetically, we note that such water diversions from one river basin to another have resulted in "water wars" in the western United States.

Secondly, the polluters of the Passaic River are the problem with the Passaic low flow periods. Rather than sending good water into the Passaic River to make the Passaic less unsafe and unhealthy during periods of time, would seem to be a better attack to reduce the pollutants from the point sources along the Passaic River at the outset. Good potable water is too precious to be used to wash down pollutants.

Third, the water systems of the older urban areas have been known to have leakages upwards of 70% of their total intake into their system. If these leakages were repaired immediately, that would not only be "found" water but would also result in having to divert less water into the Passaic system and thus less into those older urban systems.

Therefore, it appears that it would be far better to find immediate money to make the improvements to the leakages in those older urban systems. One of the projects listed in the Bill is that of providing for the rehabilitation and repair of the antiquated and damaged supply systems. Funding for these should begin immediately and if those repairs were made, they would have an immediate affect on the water crisis. We might note that money has been allocated to the northern urban areas yet no money is allocated towards the older urban areas of central and southern New Jersey such as New Brunswick, Atlantic City, Camden and Trenton, to name a few. These urban areas have similar leakage problems and in some cases, water shortage problems.

S-1611 - The greatest concern with S-1611 is paragraph 12 where the Bill talks about a Statewide Water Supply Master Plan. It is not clear to NJAPA that the Water Master Plan has been clearly coordinated with New Jersey State Development Guide Plan prepared by the N.J. Department of Community Affairs. The State Development Guide Plan, which was prepared a couple of years ago, needs to be strengthened, and one way to accomplish that is to coordinate the Plan with the water policy planning and decision making. The net effect of this proposed legislation would be to control land uses, their distribution and their densities in the State, which may or may not conform to the State Guide Plan. Water is just one consideration in comprehensive State planning.

A second major concern is the work capacity and past track record of the Department of Environmental Protection. We are quite frankly concerned about the use of this agency to implement and enforce an undertaking of this magnitude.

Rather than a state agency, we would suggest examining the role of the "208" Water Planning Programs established in the state. These regional groups, such as the Water Resources Association which evolved for the Lower Raritan "208", have proposed mechanisms for such administration of water supply and quality.

S-1612 - We have mixed feelings about this particular act. While it is recognized that there needs to be better coordination of water, which could be undertaken by the formation of a separate water supply utility, it also creates another layer of government with semi-autonomous powers. How does the proposed Act provide local accountability? How is the Utility subsidized?

S-1613 - Again, we have reservations about the formation of the separate water supply utility. At this point we have no specifics but would recommend much further study.

S-1614 - No Comment

Generally, its recognized these bills do not address our immediate water crisis. All do not solve the short term problems. Since they do not, and as others have stated, perhaps they shouldn't be proceeding at the speed they are without further deliberation. The State Water Policy Supply Plan should be released for review so that all of the interested parties can be certain our long term problems are answered. We cannot emphasize enough that the Water Plan must fit into the overall State Development Guide Plan. The Plan still needs to go through the public hearing process. For example, New York is considering the use of the Hudson River - has the New Jersey Water Policy Supply Plan also proposed to use the Hudson River, and what are New Jersey's rights to that water?

Finally, conservation measures, if widely disseminated, enacted and enforced, will have a substantial effect on the current crisis. Further attention should be given to legislation of this kind.

Presented February 10, 1981 to joint
Senate and Assembly Committees
(Senate Energy and Environment,
Assembly Energy and Natural
Resources), Assembly Chambers,
Trenton, New Jersey.

0918B/5



February 20, 1981

I am Barbara Fordyce, Director for the Association of New Jersey Environmental Commissions South Jersey Project. I am speaking on behalf of our 2500 members and the fourteen environmental organizations which have formed the Water Supply Coalition. At this final hearing we would like to address the water supply problems facing this state on a regional basis.

First of all, we would note that the people of New Jersey are neither dumb nor selfserving. I think the NJDEP and to some degree the legislature, have misjudged the capability of the public to understand a problem, plan for solutions and accept the need to spend money to make the solutions viable.

At the peak of the drought in 1965 a report from the United States Geophysical Service said:

"It would appear that the timely execution of carefully laid long-range plans, together with pollution abatement and reasonable measures of water conservation would make the water supplies of the Northeast region practically drought-proof for many years to come."

In 1980 that planning process has only just begun with the submission of a set of consultant reports. We believe that a properly adopted publicly accepted long-range plan based on realistic resource management can be implemented in this state. This plan must deal with all facets of resource planning and management from water supply, waste water treatment, and storm water control to watershed protection, conservation and land use planning.

The need for water is statewide. Robbing any part of the state to supply another will only lead to immense future problems. Each basin should be as self-sufficient in terms of raw water as possible. The NJDEP proposes to move huge quantities of water out of the developing Raritan Basin to the Passaic Basin where badly managed resource and distribution systems have forced rationing, this is illogical and contrary to good planning.

Similarly, to even contemplate the use of Pinelands water outside of South Jersey is not only against the existing statutes but would destroy the resource and deprive agriculture and the developing south jersey areas of badly needed groundwater supplies.

As the Coalition has testified before, the proposed bills should not be enacted in any form until the long range Water Supply Master Plan is completed. However, there are additional considerations that have been overlooked throughout this process which should be incorporated in the final planning and legislative actions. These are:

1. A new look at the reuse of treated waste water and storm water runoff for aquifer recharge rather than export to the ocean.
2. A review of laws governing flood plain protection. The existing law prohibits consideration of any factor but safety and that is being dealt with by engineers who can in truth flood proof almost any building. We are; therefore, legally, and on a daily basis, destroying recharge areas and polluting the water in our streams by building and filling improperly.
3. Immediate efforts should be started to develop legislation similar to that in force in New England which will protect our inland fresh water wetlands. Such areas are ecologically productive and enhance and protect our water supply.
4. Storm water can and must be controlled on-site. Storm water collector systems which collect and deliver water to streams and rivers causing flooding and pollution should be avoided in every case practicable. This can only be done with proper planning. A bill has already been passed by the legislature regarding such planning at the municipal level but has yet to be signed by the governor.

Based on these findings, it is our opinion that 1) the pending legislation Bills 1610-1614 be tabled until the State Water Supply Master Plan is completed, 2) that Governor Byrne be asked to sign Bill A-86 into law and that a study committee be formed to develop legislation to provide for more adequate flood plain and inland wetlands protection.

STATEMENT TO THE NJ JOINT COMMITTEE ON WATER POLICY

The on-farm value of vegetables in New Jersey exceeds \$90 million a year. This represents over 25% of the total food production in the state. The vegetable industry employs thousands of workers each year paying over \$40,000,000 in wages to the segment of the states work force that has the most difficulty finding work that matches their marketable skills.

The wholesale marketing and transportation of this food from the farm adds thousands of additional jobs and millions of dollars to New Jersey's Gross State Product. The machinery, fertilizer, fuel, containers and other supplies used by farmers supports a significant supply industry further increasing it's importance to the economy of the state with productive profitable enterprises.

Southern New Jersey is unique in the Northeast, possessing the perfect combination of soil, weather, water and highly skilled growers to make fresh vegetable production prosper. This combination is not found in New York to the North, Pennsylvania to the West or Delaware to the South.

Our well-drained, sandy soils allow for early spring warm up and a long growing season. They also permit growers to cultivate, prune, and harvest within 1 day after a 2" rain which is critical to fresh vegetable production that demands that harvest be completed when the produce is at it's peak of quality.

Irrigation of this free-draining, highly productive land is critical for production of high quality fresh vegetables. Irrigation costs to the farmer currently run from \$60 to \$200 per acre for fuel, labor and equipment and, of course, these costs continue to rise.

New Jersey farmers are pioneers in the innovative use of drip irrigation and plastic mulching that reduces the irrigation needs of a crop by $2/3$. They have traditionally been conservationists realizing that their livelihood and the state's food supply both rely on a dependable supply of high quality water.

With irrigation costs as high as they are, farmers are the last ones to even consider wasting water or over applying it. They husband this resource carefully to produce the most food with the least water use.

If increasing regulations, permits, fees, record keeping and inspections of South Jersey farms would produce more water for drought-starved North Jersey, I'm sure South Jersey farmers would gladly cooperate.

However, we have yet to see any shred of evidence to indicate that further regulation, permit issuing, record keeping or inspection in region 4 and 5 would increase the water available to our good neighbors in the north by one drop.

Please consider carefully before you add more regulations to our already "report shocked" farmers that presently get 1-2 mailings a week from Trenton or Washington to fill out and return under penalty of law. Labor reports, wage hour reports, withholding tax reports for the state, unemployment compensation tax reports for the state and federal government, FICA withholding reports, withholding tax reports for the federal government, federal fuel use surveys, census of agriculture forms, special crop reporting survey forms, etc, etc, etc. There isn't a single night in the year that a farmer can go to sleep assured that all his reports are filled out and in on time. He's always got somebody's ax hanging over his head.

It seems clear then:

1. Without water, and the free use of it, agriculture in New Jersey will die.

2. Further regulation of agricultural water use will not put one drop in the bucket in North Jersey.
3. Regulations, fees, reports or forms that serve no useful purpose should be abolished and certainly no new ones should be added.

Harry H. Fries
County Agricultural Agent
Cumberland County, NJ
R.D. #1
Millville, NJ 08332

SALEM COUNTY BOARD OF AGRICULTURE

Representing Cook College, Farm Bureau,
and N. J. Department of Agriculture

EXECUTIVE COMMITTEEMEN

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County Administration Building
94 Market Street, Salem, N. J. 08079

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February 23, 1981

My name is Bill Brooks and I would like to read into the record today our concerns about Senate Bills -S-1610, 1611-1612 and 1614.

First we do strongly concore and support the testimony as given by the Cumberland County Board of Agriculture (Division of Water Policy) as well as the N.J. Farm Bureau testimony as presented in Trenton on February 10, 1981.

It also seems to me that on November 4th the people of the U.S. said loud and clear that they have had enough of unnecessary intervention, regulation, and haressment. We too recognize the very seriousness of the problems caused by the drought. we also recognize that South Jersey may be hit much harder than North Jersey on another occasion or in another year. But the needs of water between North and South Jersey are as different as day and night. Equally is the difference from farm to farm, depending on the type of crops grown, type of soil and amount of rain fall even within a given ten mile radius. Water availablity again is much different from area to area throughout the state and in many different types of impoundments.

There is we agree, a real need for water management education, planning and implementation. This has to be done and can be done by making use of already available agencies and exporitics. Such planning has to have the total imput of local, county, regional, state and federal agencies, such as county and regional planning boards, soil concervation units, university staff personal, state water policy commission board and state elected officals and a continuing working relationship with our neighboring states of New York, Pennsylvania, and Delaware. Our promblem today is because of inaction on sound recommendations from existing bodies and by not knowing what is needed to by done.

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We believe any and all regulations and recommendations should have to go before the people we elect for their approval before put into action. Giving such power to set fees and fines is in effect taxation. Taxation is the right given only to elected officials, anything less is taxation without representation.

On behalf of the Salem County Board of Agriculture I would like to thank you for the opportunity to express our concerns in this truly democratic process that is so important for the good of all.

Sincerely,

Edward P. Flitcraft
Edward Flitcraft

Leg. Comm. Chairman
Salem County Board of Agr.

GAYLORD EVEY
CHAIRMAN

COMMISSIONERS

LEON LOWENSTERN
LOUIS GASSEL
ALFRED WALLITSCH
CLAIRE M. GOFF

The LANDIS SEWERAGE AUTHORITY

VICTOR E. TOMASSO
BUSINESS ADMINISTRATOR

MARTIN L. PAGLIUGH
SOLICITOR

JOHN TALLARIDO
SECRETARY

RUDDOLPH J. LUISI
TREASURER

ROOM 206 CITY HALL, VINELAND, N. J. 08360 PHONE: 609-691-0551

February 24, 1981

TESTIMONY OF THE LANDIS SEWERAGE
AUTHORITY ON MATTERS RELATING TO
SENATE NO. 1611

ON BEHALF OF THE LANDIS SEWERAGE AUTHORITY, I WISH TO PRESENT OUR POSITION WITH RESPECT TO SENATE NO. 1611 WHICH IS AN ACT CONCERNING THE MANAGEMENT OF WATER AND THE DIVERSION OF ANY SURFACE OR GROUND-WATER ANYWHERE IN THE STATE AND REVISING AND REPEALING PARTS OF THE STATUTORY LAW RELATING THERETO.

FROM OUR PERSPECTIVE, THE STATE'S PROPOSED ACTION IS A REACTION TO A POTENTIAL WATER CRISIS. AS SUCH, IT FAILS TO ADDRESS THE FACTORS WHICH CAUSED THE CRISIS. THIS POSITION IS HIGHLIGHTED IN SECTION 13 OF THE PROPOSED ACT. TO PARAPHRASE THE LANGUAGE, WE CAN CONTINUE TO BE WASTEFUL AND INEFFICIENT, BUT UNDER EMERGENCY CIRCUMSTANCES, ACTIONS ARE TO BE TAKEN TO REDUCE THE USE OF WATER. IN OUR OPINION, WATER CONSERVATION IS WHERE WATER SUPPLY PLANNING SHOULD BEGIN. WATER WASTAGE IS AN INEFFICIENT AND COSTLY ACTIVITY. THERE IS, IN FACT, A PROGRESSION OF COSTS SINCE THE WASTED WATER IN MANY OF THE STATE'S COMMUNITIES MUST BE COLLECTED AND TREATED AS SEWAGE. FURTHERMORE, THE MAJORITY OF THE STATE'S COMMUNITIES TAKE THIS COLLECTED SEWAGE WHICH IS 99.9 PERCENT FRESH WASTER AND AFTER SOME FORM OF PARTIAL TREATMENT, WASTE IT TO THE SALT WATER.

THE RELATIONSHIP BETWEEN WATER SUPPLY AND WASTEWATER IS RECOGNIZED

GAYLORD EVEY
CHAIRMAN

COMMISSIONERS
LEON LOWENSTERN
LOUIS GASSEL
ALFRED WALLITSCH
CLAIRE M. GOFF

The LANDIS SEWERAGE AUTHORITY

VICTOR E. TOMASSO
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AUTHORITY ON MATTERS RELATING TO
SENATE NO. 1611

Page 2

IN THE FEDERAL CLEAN WATER ACT OF 1977. SECTION 516 REQUIRED THE U.S. ENVIRONMENTAL PROTECTION AGENCY TO MAKE RECOMMENDATIONS FOR LEGISLATION ON A PROGRAM TO REQUIRE COORDINATION BETWEEN WATER SUPPLY AND WASTEWATER CONTROL PLANS. THESE INTERCONNECTIONS NEED TO BE RECOGNIZED IN THE STATE LEGISLATION.

HOW WASTEWATER IS MANAGED IMPACTS ON AVAILABLE WATER SUPPLY. LAND TREATMENT SYSTEMS WHICH RECYCLE POTENTIAL POLLUTANTS AND RECLAIM PURIFIED WATER FOR REUSE HAVE THE POTENTIAL TO INCREASE THE AVAILABLE WATER SUPPLY. LAND TREATMENT SYSTEMS :

- A) RECYCLE POTENTIAL POLLUTANTS IN AGRICULTURAL, SILVICULTURAL AND AQUACULTURAL PRODUCTS,
- B) RECLAIM PURIFIED WATER,
- C) ALLOW PROGRAMMED REGIONAL REUSE OF WATER,
- D) OFFER THE POTENTIAL TO EXPAND THE AVAILABLE USABLE STATEWATER RESOURCES BY MORE THAN A FACTOR OF TWO,
- E) COST THE USERS LESS

THE LANDIS SEWERAGE AUTHORITY HAS OPERATED A LAND TREATMENT SYSTEM SINCE 1950. DURING THIS 30-YEAR PERIOD, THE GROUND AND SURFACE WATERS WITHIN THE AUTHORITY'S SERVICE AREA, HAVE NOT EXPERIENCED A SUBSTANTIAL DIMINUTION IN QUANTITY OR SUBSTANTIAL IMPAIRMENT OF QUALITY.

GAYLORD EVEY
CHAIRMAN

COMMISSIONERS

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IN RECOGNITION OF THESE BENEFITS, CONGRESS HAS MANDATED THAT LAND TREATMENT SYSTEMS BE ENCOURAGED. SIMILAR ENCOURAGEMENT IS NEEDED AT THE STATE LEVEL, PARTICULARLY BECAUSE OF THEIR WATER SUPPLY BENEFITS. SUCH ENCOURAGEMENT CAN BE ACHIEVED BY ADDING SECTION 5.A (3) TO THE PROPOSED LEGISLATION. THIS NEW SECTION SHOULD READ AS FOLLOWS:

SECTION 5.A - THE DEPARTMENT IN DEVELOPING THE PERMIT SYSTEM ESTABLISHED BY THIS ACT, SHALL (3) NOT REQUIRE ANY PERSON PLANNING, CONSTRUCTING, AND/OR OPERATING AND MAINTAINING A LAND TREATMENT SYTEM TO OBTAIN A DIVERSION PERMIT.

SUCH AN EXEMPTION IS FURTHER JUSTIFIED BECAUSE LAND TREATMENT SYTEMS HELP TO ACHIEVE THE PRIMARY OBJECTIVE OF THE ACT, THAT IS TO ENSURE AN ADEQUATE SUPPLY AND QUALITY OF WATER FOR CITIZENS OF THE STATE, BOTH PRESENT AND FUTURE, AND TO PROTECT THE NATIONAL ENVIRONMENT OF THE WATERWAYS OF THE STATE. THE LANDIS SEWERAGE AUTHORITY HAS DEMONSTRATED THAT APPROPRIATE WASTEWATER MANAGEMENT LEADS TO AN ADEQUATE WATER SUPPLY. WE INVITE THE SENATE TO VIEW OUR LAND TREATMENT FACILITIES.

STATEMENT
of
CAPE MAY COUNTY BOARD OF AGRICULTURE
THE USE OF WATER AND CONSERVATION OF WATER IN THE STATE OF NEW JERSEY

Water in all of its uses is one of the highest priorities before the citizens of the state of New Jersey. We cannot divide the state into regions of need. The heavily populated area needs water to drink, the farmers of South Jersey need the water not only to sustain life but for irrigation of the crops that they produce.

Without irrigation, top crop production cannot be obtained. The preparation of good seed beds, fertilization, applying of weed control measures, applying herbicides and insecticides to control insects are very necessary but water is the determining factor as to whether a profitable crop is produced. Without the proper amount of water, farming is a failure.

We want to assist the populated areas of New Jersey in their problem of maintaining a supply of healthy drinking water but, on the other hand we do not want South Jersey water to be so regulated that it cannot be used to irrigate our crops, especially the vegetable crops. If this 345 million bond issue is passed, we want to be sure that South Jersey will get their just share in promoting available water and for the repairs to the existing water systems that have been in existence for over 70 years. Some of these cast iron pipelines are in very bad need of repair or replacement.

We are against permits for farmers on their irrigation pumps. The wells, pumps, and irrigating equipment are all paid for by the farmer, not one cent by the state. Eighty percent of the water used in irrigation of farm crops is returned to the subsoil so that it can be reused. When a crop needs water, the farmers should not have to get permission before he waters his crop. Time is very important at this critical stage. All water used in the urban areas, especially where they have sewage disposal, is carried in the outfall to some

distant point in the Atlantic Ocean or some other body of water, which means this water does not return to the subsoil the same as the water from agricultural irrigation.

We would urge the farmers to use good soil conservation measures so the organic matter of their soils is maintained. The presence of organic matter in their soils decreases the need for irrigation, thus it conserves our water.

We urge the DEP to utilize the technical experts from the New Jersey Agricultural Experiment Station in drafting any regulations affecting agricultural irrigation water users and provide for review of proposed regulations by New Jersey State Department of Agriculture and the New Jersey Agricultural Experiment Station to insure that proposed regulations are in keeping with "best farming practices" and do not adversely affect the ability to provide fresh, wholesome food for the residents of New Jersey.

Water from all official reports seems to be in low supply in many parts of our country, but as far as South Jersey is concerned, there is a plentiful supply for all purposes, namely human consumption, irrigation of our crops and other uses until the year 2020. We should be very thankful for this, but we should not waste the water.

We believe in times of severe drought and emergency that the decisions on water use be in the hands of people who are acquainted with crop production. The guidelines should be developed by the New Jersey Agricultural Experiment Station. They should be ready for distribution to the farmers so they can be ready to irrigate. Time is the determining factor to save a crop under these circumstances.

Finally, if DEP, EPA, and the other state agencies want farming to continue in the state of New Jersey, we plead that you get off the farmers back, namely, by not imposing more permits, more meters, more licenses, and more reports to the state. We are confident that the farmers of New Jersey want a bountiful, wholesome supply of water for all the citizens of New Jersey.

Submitted by: C. Newton Schellinger,
Corresponding Secretary and Treasurer,
Chairman of the Legislative Committee of the
Cape May County Board of Agriculture



COUNTY OF ATLANTIC
Board of Freeholders

201 Shore Road, "Stillwater"
Northfield, NJ 08225
Telephone: (609) 646-0280

February 24, 1981

A Statement in Reponse to Senate Bills 1610, 1611, 1612,
1613 and 1614.

FROM: Joseph J. Messick, Freeholder-at-Large
Atlantic County Board of Chosen Freeholders
Member, Atlantic County Board of Freeholders
Water Resources Committee.

1. Response to Senate Bill #1610 - Bond Issue - Water Supply
Bond Act, 1981.

Bonds issued in accordance with the provisions of this act shall be a direct obligation of the State of New Jersey and the faith and credit of the State are pledged for the payment of interest thereon as same shall become due and the payment of the principle at maturity. The provisions of 20-C and 21 make all counties responsible if present State Revenues fail to support the bond issues or are insufficient, or are not available. This money will come from a tax on assessed values in each county.

My objections are with this reference to a statewide tax on real estate in each county. This reference to a new statewide tax as a final back-up to existing state revenues should be struck from the bill. While water is of extreme importance to all people of New Jersey, passage of this bond issue can be impaired by this reference to a statewide property tax which, if enacted, would place a direct burden of taxation on all South Jersey to support what is essentially a North Jersey water supply facilities bond issue.

2. Response to Senate Bill # 1611 - An Act concerning the
management of water and the diversion of any surface or
ground water anywhere in the State and revising and repealing
parts of the statutory law relating thereto.

My objections to this bill include;

1. This bill provides only for the Department of Environmental Protection (DEP) to have the power to,
 - A. manage the water supply system
 - B. adopt a uniform water diversion system
 - C. enforce this program
 - D. study the State's water resources.
 - E. plan for emergencies and future water needs
 - F. manage the waters of the State during water supply and water quality emergencies
 - G. define a water emergency

These are far-reaching responsibilities that need input from county and local governments in coming to decisions concerning water use. Besides these governmental bodies, other state agencies, such as the Pinelands Commission have completed extensive water regulations concerning both quality and quantity of Pinelands Water. These water regulations cannot be disregarded without serious harm to the effected areas. Any state law must include power and responsibility for local governments and other state agencies that, today, regulate water.

2. The DEP lacks the grass roots ties to the needs of the local area. In a democratic society, such as ours, it is wise to include methods for real involvement of those people effected by regulations.

3. This law should establish certain gaurantees of our environment. For example, it is an established fact that effecting the level of water in the Pinelands could disrupt the Pinelands unique flora and entire ecosystem (Pinelands Management Plan). Without environmental guarantees, the need for water weighs more than the need to maintain the environment. In an emergency, it would become easy to over-ride the environmental interests and forever change an area. This bill needs an Environmental Bill of Rights, that guarantees the environment will not be substantially changed as a result of the removal of water from the area.

4. This bill does not distinguish that the so-called water rich part of our state needs a different set of water criteria than the water poor areas of New Jersey. A simple division of the gallons of water between the two above mentioned water sections of New Jersey would be disasterous for the southern part of our state. This bill needs to address this distinction and not leave it to the DEP. The state legislature would never dream of passing a bill concerning riches and money of both sections of New Jersey and then evenly dividing the money and riches between North and South. Different criterias in laws concerning grants, transportation, etc. recognize that simple equality doesn't work. Likewise, a simple taking of water from South Jersey must have a carefully reasoned plan that takes into consideration our different

water.

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My problem with this bill is the lack of money to make the mandated improvements. If a municipality is forced to acquire and improve such small water companies, then monies to buy and improve them should come from the state. Without such state monies, the local taxpayers and/or water users would be forced to make good on the substantial acquisition and improvement costs.

GENERAL STATEMENTS/CONCLUSION.

While the need to insure quality and quantity of water is important to our future in New Jersey, we should, nevertheless not lose sight of citizen participation, environmental Bill of Rights, local, county, and state agencies' plans and costs. New Jersey is unique with many complimenting areas. This legislation should recognize that our state's needs are different not only in transportation, but also in water quantity and quality.

In order to establish a sensible approach to water, the bills should mandate that any future DEP plan reflect municipal, county, and existing state agency's water plans. What is missing is a frame work for action in these bills. All New Jersey residents are entitled to know the parameters of action in future water use plans. This should be included in the bills. (Parameters are only a framework and not specific rules). For instance, who can say at this point, whether water that would be pumped from South Jersey to North Jersey could not eventually be pumped to New York City, if a need arises.

Finally, references to a statewide real estate tax based on assessed values should be dropped. Taxes are mounting regularly and even the hint of a new state tax can hurt the proposed bond issue. I hope that these changes can be made to the Senate Bills.

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