



A/C Pipe
Producers Association
Public Affairs Committee

TO *J.F. Welch*
J. F. Welch, Director, Public Affairs

FROM

State of New Jersey

SUBJECT

ACTION REQUIRED: Review for information

Internal Correspondence

October 22, 1981

DATE

Enclosed is a news article from the October 8, 1981 issue of The New York Times. It describes the formation of the New Jersey Water Supply Authority and a proposed \$350 million bond issue for water supply projects and improvements in the State over the next six years. The likelihood of the bond issue passing the November 3 ballot is not known.

By copy of this correspondence, Staff requests that special counsel obtain a copy of the master plan. Due to the extensive problems experienced in the Ocean County area and the Department of Environmental Protection study of asbestos in drinking water, Staff is interested in the scope of the \$500,000 water treatment studies referenced in the article.

If you have any questions, please do not hesitate to call.

JFW/ajb

Enclosure

cc: A. Kahn, Esq.
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copies to: Public Affairs Committee

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Byrne Signs Bill Creating Agency To Bolster Jersey's Water Supply

By ROBERT HANLEY

A powerful new state agency designed to protect New Jersey from future water shortages was created yesterday by Governor Byrne at a bill-signing ceremony in Trenton.

At the same time, Mr. Byrne released the final version of a statewide water supply master plan, which provides a list of water-supply projects and improvements to be financed under a proposed \$350 million bond issue. The bond issue will appear on the ballot Nov. 3. It has taken six years to complete the master plan.

The new agency, the seven-member New Jersey Water Supply Authority, is charged with buying, financing, building and operating new water resources, improving existing ones, and selling water on a wholesale basis to supply systems in the state.

The agency will also assume control of existing state-owned water systems, including the deficit-ridden, underused Round Valley and Spruce Run Reservoirs in Hunterdon County and the Delaware and Raritan Canal, which channels drinking water from the Delaware River near Trenton to the New Brunswick area.

Assurance of a Builder

"Now we can assure there will be a wholesale water supply," Jerry English, the state's environmental commissioner, said at the bill-signing ceremony. "We can assure there will be a builder of the last resort or of the first resort if the need be." Mrs. English attended the ceremony with the Governor and the bill's sponsors, Senator Frank J. Dodd, Democrat of West Orange, and Assemblyman Robert P. Hollenbeck, Democrat of Carlstadt.

The authority has power to issue bonds to finance its projects and must repay them with revenues from its

water sales. The agency would have at its disposal the \$350 million from the bond issue, but after that it would have to issue and repay its own bonds.

The authority and the bond issue are direct outgrowths of the 1980-81 water shortage, which last February brought heavily industrialized and populated northern New Jersey within 40 days of running out of water. Late winter and spring rains eased the crisis.

\$1.3 Million for Plan

The master plan, which cost \$1.3 million to complete, outlines for the new authority the projects that private consultants and state water engineers say would end the chronic supply shortages in northern New Jersey. The plan also recommends projects to meet anticipated growth in demand in central and southern New Jersey through the rest of the century.

The plan proposed \$221.5 million in specific projects and \$128.5 million for feasibility studies and early planning for others.

The specific projects include \$65 million to upgrade aging and leak-prone pipelines in urban centers, \$65 million for a new pipeline to transfer Round Valley-Spruce Run water to northern Jersey, \$40 million for two reservoirs in Monmouth County, \$15 million for protection of watersheds and aquifers, \$15 million for improvements in pipeline connections among four North Jersey suppliers, \$20 million to dredge and widen the Delaware and Raritan Canal, \$1 million for conservation programs and \$500,000 for water treatment studies.

These are considered high-priority projects to be built by 1986. No timetables were given for several other projects, for which the state wants to spend the \$128.5 million.