

NEW JERSEY WATER SUPPLY AUTHORITY

HEARING OFFICER'S REPORT

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

ADJUSTMENT OF OPERATIONS AND MAINTENANCE EXPENSE COMPONENT TO  
REFLECT NO CHANGE IN SALES BASE AND COMPONENT RATE  
FOR FISCAL YEAR 2024

ADJUSTMENT OF SOURCE WATER PROTECTION FUND COMPONENT TO  
REFLECT NO CHANGE IN COMPONENT RATE  
FOR FISCAL YEAR 2024

ADJUSTMENT OF DEBT SERVICE COST COMPONENT TO  
REFLECT BOND YEAR PAYMENTS DUE AND REQUIRED  
FOR FISCAL YEAR 2024

ADJUSTMENT OF NJEIFP DEBT COMPONENT TO  
REFLECT BOND YEAR PAYMENTS DUE AND REQUIRED  
FOR FISCAL YEAR 2024

ADDITION OF CAPITAL FUND COMPONENT RATE FOR INITIAL AND DELAYED  
WATER PURCHASE CONTRACT CUSTOMERS FOR FISCAL YEAR 2024

Effective Date: July 1, 2023

Hearing Officer: Jeffrey Hoffman

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## I. INTRODUCTION

### **Summary:**

Staff has proposed amendments to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir Water Supply System N.J.A.C. 7:11-4.1 et seq., (the "Rules") for Fiscal Year (FY) 2024 (Final Proposal). As set forth more fully below, I recommend approval of staff's Final Proposal.

### **Background:**

The New Jersey Water Supply Authority ("Authority") has proposed amendments to its Rules to ensure it maintains an adequate revenue structure for the Authority's FY2024 operations and to adjust the Debt Service Assessment on the Manasquan Reservoir Water Supply System loans to reflect the bond year payments due.

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

On July 1, 1990 the Authority placed the Manasquan Reservoir Water Supply System in operation to provide an untreated water supply for use throughout Monmouth County. In addition to this major new system and the existing Raritan Basin System, the Authority also commenced operating a water treatment plant and transmission system for the Monmouth County Improvement Authority ("MCIA") on July 1, 1990. Brielle, Spring Lake, Spring Lake Heights, Sea Girt and Wall Township entered into agreements with the MCIA for this treatment/transmission system, which treats and conveys their portion of the supply from the Manasquan Reservoir System. On September 2, 2009, the Southeast Monmouth Municipal Utilities Authority ("SMMUA") purchased the system from the MCIA on behalf of the member municipalities. The Authority continues to operate the treatment/transmission system for SMMUA and as a result, operates, maintains and manages three distinct systems each with its own budget, cost accountability and revenue stream.

The Authority's headquarters staff located in Clinton provides general and administrative support services for all three Systems. These services include, but are not limited to, financial management, payroll, human resources, procurement, contract administration, risk management and overall management.

In order to equitably assess each of the three Systems, the Authority retained the services of a recognized public accounting firm to develop a methodology for the allocation of the headquarters general and administrative costs to all three operating Systems. After the close of each fiscal year, the Auditor provides the Authority with its findings as to the adjustment of the allocation factors, if any, and the actual audited expenditures for the fiscal year.

The audit report is generally available in October (for the previous fiscal year ending on the preceding June 30). At that time the Authority formulates the proposed budgets for the upcoming fiscal year commencing on the following July 1. The adjusted allocation factors, if any, and the audited expenditures for the previous fiscal year, are used to establish a debit or credit for each of the three operating Systems. This debit or credit is applied to the budget being prepared each September for the upcoming fiscal year starting on July 1.

The Authority's FY2022 audit was delayed and was completed in February 2023 by an independent auditor and includes a review of allocation factors and actual expenditures. The anticipated adjustments have been made to the FY2024 budget based on the FY2022 allocation factors.

A copy of the Auditor's report on the allocation of the headquarters general and administrative costs will be included in the rate proposal package for each System.

Insurance costs are also allocated to each System based upon the recommendations of the Authority's risk management consultant. Each rate proposal package includes a summary table showing the proposed insurance budget amounts and the portions allocated to each of the three Systems.

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

("O&M") expenses, and general and administrative expenses. The Basis and Background document supplied to contractual water customers and other interested parties provides detailed information including a summary of the projected line item budget figures for general and administrative expenses and O&M expenses for FY2024.

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

The General Rate Schedule for O&M was last adjusted effective July 1, 2022 to cover the operating expenses of the System for FY2023. The FY2023 sales base was 19.443 mgd, and was projected to remain the same in FY2024 in the November 2022 Basis and Background Statement. In FY2024, the O&M rate component will remain at \$445.82, representing no change versus FY2023.

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

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

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

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

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

The 2005 Bonds were eligible for a current refunding after August 1, 2015 and on April 26, 2016 the Authority issued \$17,460,000 in Manasquan Reservoir Water Supply System Refunding Bonds, Series 2016, to refund the 2005 Bonds and the 2006 State Loan and Completion Loan Notes. The Bonds were issued at an average coupon of 3.78 percent and an economic gain of \$3.0 million. The term of the refunded bonds was not extended, for a remaining term of 15 years. The bond proceeds also fully funded the Debt Service Reserve Account and debt service coverage must remain at 120 percent through the life of the bonds. The Debt Service Cost Component of the rate for the delayed water purchase contracts will be \$438.92/mg. This reflects no change relative to the November 2022 Initial Proposal.

The Source Water Protection Fund Component of the rate for FY2024 of \$15.00/mg is no change over FY2023, and will not change relative to staff's November 2022 proposal.

The rate component for FY2024 of \$24.93/mg for repayment of debt to the NJEIFP will not change relative to staff's November 2022 proposal.

The Authority has established a Capital Fund Rate Component to generate funds for long-term, large-scale capital improvements and/or replacements in the Manasquan system. For FY2024, this component will remain at \$525.00/mg for initial water purchase contracts and \$200.00/mg for delayed water purchase contracts, no change versus FY2023, and no change relative to staff's November 2022 proposal.

## **Rate Setting Procedure:**

The formal rate adjustment proposal was authorized at the Authority's November 1, 2022 monthly meeting (Initial Proposal). The resolution is set forth in Exhibit A.

As a component of the formal rate adjustment procedure, the Authority provides official notice and an explanation outlining the need for the proposed rate adjustment to all contractual water customers, the Secretary of State, the Division of the Ratepayer Advocate, the Board of Public Utilities and other interested parties at least six (6) months prior to the proposal's effective date (N.J.A.C. 7:11-4.13(a) (1)). Staff's November 2022 proposal (included in Exhibit B) was available for review on the Authority's web site on October 28, 2022.

Official notice of the Initial Proposal was made through advertisement in the Asbury Park Press, the Times (Trenton) and the Star Ledger. A Certification of Publication is set forth in Exhibit C.

Notice of the Proposal also appeared in the January 3, 2023 edition of the New Jersey Register (Exhibit D).

The mailing to the contractual water customers, the Secretary of State, the Division of the Ratepayer Advocate, the Board of Public Utilities and interested parties was made on December 22, 2022 and included an invitation to a pre-public hearing meeting, pursuant to N.J.A.C. 7:11-4.13(a)(4), that was conducted by the Director of Finance and Administration on January 5, 2023. No members of the public were in attendance. Minutes of the pre-public hearing meeting are set forth in Exhibit E.

A public hearing was conducted on February 2, 2023 at 11:00 a.m., via the Microsoft Teams meeting platform. No members of the public were in attendance. A stenographic record of the proceedings was made and is attached in Exhibit F.

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

The final Staff memorandum to me is dated March 14, 2023 and is set forth in Exhibit H.

A draft resolution by the Authority's Board approving the Rule proposal is set forth in Exhibit I for consideration at its May 1, 2023 meeting.

A draft resolution for the approval of the FY2024 Budget by the Authority's Board is set forth in Exhibit J.

## II. DISCUSSION

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

### A. Initial Water Purchase Rate.

In staff's Final Proposal, staff recommends a total rate of \$1,010.75/mg effective July 1, 2023. This reflects no change versus the FY2023 rate and remains the same relative to staff's Initial Proposal. The sales base for the initial water purchase contracts remains the same at 15.008 mgd in FY2024, and is no change from the Initial Proposal.

The O&M Component for FY2024, \$445.82/mg, reflects no change to the FY2023 rate and there is no change from the Initial Proposal. The proposed operating expense budget for FY2024 is \$48,464 more than FY2023, due primarily to increases in insurance and fuel expenses. The proposed Capital Equipment Budget is \$14,200 higher than in FY2023. There is a \$10,000 contribution to the Sediment Reserve, a \$15,000 contribution to the High Voltage Testing Reserve, a \$5,000 contribution to the Formal Dam Inspection Reserve and a \$120,000 contribution to the Renewal and Replacement Fund. Interest income is expected to increase from \$26,600 in FY2023 to \$90,200 in FY2024. Staff anticipates virtually no change in the net budget requirement for the O&M Component during FY2024, consistent with the Initial Proposal.

The FY2024 Operations and Maintenance Component will continue to be subsidized by unanticipated revenues raised in the prior fiscal year, consisting of overdraft revenues, net year-end balance, and excess debt service coverage, in the amount of \$587,180.

With the allocation of appropriate Headquarters General and Administrative costs to the System, the projected operating costs for FY2024 indicate that an O&M rate component of \$445.82/mg is required commencing July 1, 2023. This represents no increase



relative to FY2023 and no increase relative to the Initial Proposal.

The Source Water Protection Assessment was established at \$15.00/mg on July 1, 2003, to protect the quality and quantity of water in the Manasquan Water Supply System. The fund is used for three purposes in cooperation with State, local and nonprofit partners: (1) administrative assistance in the preservation of those properties in the Manasquan River Basin that are critical to the long-term protection of water quality and quantity in the Manasquan Reservoir Water Supply System as they may affect Authority customers; (2) improved management of land development by municipal, county and State government to protect both water quality and flows to and within Authority facilities; and (3) remedial projects to improve water quality from existing conditions. This rate component was decreased to \$10.00/mg in FY2016. To ensure adequate funding for Source Water Protection initiatives, the Source Water Protection Assessment was reinstated to \$15.00/mg in FY2018. The proposed FY2024 rate is \$15.00/mg, which represents no change relative to FY2023 and no change from the Initial Proposal.

The New Jersey Environmental Infrastructure Trust Financing Program ("NJEIFP") Debt Component was established in FY2012 at a level of \$35.42/mg to repay debt to the NJEIFP for a loan issued to construct a building structure over the intake pump station at the Manasquan Reservoir Water Supply System to protect the pumps and water travel screens from deterioration due to exposure to the elements and extend the useful life of the equipment. The Bonds were sold in May of 2012 at terms more favorable than originally anticipated. Staff recommends no change in the rate of \$24.93/mg for FY2024, which is no change from the Initial Proposal.

A Capital Fund Component was established in the Manasquan System for initial water purchase contracts (\$525.00/mg) in FY2021 to provide for long-term capital needs that will allow for the proper maintenance, rehabilitation and/or replacement of the system facilities. Staff recommends no change in the rate of \$525.00/mg for FY2024, which is no change from the Initial Proposal.

Staff recommends amending the Rules to reflect a total initial water purchase contract rate including the O&M Component, NJEIFP Debt Component, Source Water Protection Assessment and Capital Fund Component of \$445.82/mg, \$24.93/mg, 15.00/mg and \$525.00/mg respectively equaling a total rate of \$1,010.75/mg, no change relative to FY2023 and no change from the Initial Proposal.

B. Delayed Water Purchase Rate.

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

Staff's Final Proposal makes no change to the sales base for delayed water purchase contracts effective July 1, 2001, October 1, 2002, and January 1, 2005. Staff recommends a FY2024 combined rate of \$1,124.67, which is no change from the FY2023 rate and no change from the Initial Proposal.

The proposed FY2024 Debt Service Assessment of \$438.92/mg commencing July 1, 2023, reflects no change in the rate compared to FY2023, and no change relative to the Initial Proposal.

A Capital Fund Component was established in the Manasquan System for delayed water purchase contracts (\$200.00/mg) in FY2021 to provide for long-term capital needs that will allow for the proper maintenance, rehabilitation and/or replacement of the system facilities. Staff recommends no change in the rate of \$200.00/mg for FY2024, which is no change from the Initial Proposal.

Staff recommends amending the Rules to reflect a total delayed water purchase rate including the O&M Component, Debt Service Cost Component, NJEIFP Debt Component, Source Water Protection Assessment and Capital Fund Component of \$445.82/mg, \$438.92/mg, \$24.93/mg, \$15.00/mg and \$200.00/mg respectively for a total rate of \$1,124.67/mg, which represents no change from the Initial Proposal and no change relative to FY2023.

C. Other Amendments.

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

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

The Authority Staff conducted a pre-public hearing meeting on January 5, 2023. No members of the public were in attendance.

The Authority held a public hearing on February 2, 2023. No members of the public were in attendance.

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

I present my findings below.

III. FINDINGS AND CONCLUSIONS

1. The public record does not contain any specific adverse comments concerning staff's justification for the sales base and proposed Operations and Maintenance Expense Component of the Rate. The Manasquan Reservoir System rate was increased on July 1, 2015 and again on July 1, 2016 to address expected losses in the sales base and a growing reliance on the use of non-recurring revenue. Prior to those adjustments, the Manasquan Reservoir System rate had not been increased since July 1, 2011. Each year, as a requirement of Executive Order 37 (2006) and as a matter of sound business practice, the Authority performs an analysis of the budget to identify and implement cost savings measures. The Authority participates in the State's power cooperative purchasing which has resulted in a significant reduction in power costs. The overall user rate decreased in FY2021 for both initial and delayed water purchase contract customers and is remaining stable in FY2024. I find the FY2024 Operations and Maintenance Expense Component of the rate and sales base to be appropriate.
2. The public record does not contain any adverse comments concerning Staff's justification for the sales base and proposed rate adjustment to the Debt Service Cost Component of the Rate Assessment. The Authority is required by its bond resolutions to adopt rates that fully cover its Debt Service payments including an additional 20 percent coverage. I find the FY2024 Debt Service Assessment and associated sales base to be appropriate.
3. The public record does not contain any adverse comments concerning Staff's justification for the Source Water

Protection Fund Component of the Rate. I find the proposed FY2024 Source Water Protection Fund Component to be appropriate.

4. The public record does not contain any adverse comments concerning Staff's justification for the NJEIFP Debt Component of the Rate for FY2024 for repayment of debt to the NJEIFP. I find the FY2024 NJEIFP Debt Component to be appropriate.
5. The public record does not contain any adverse comments concerning Staff's justification for the Capital Fund Component of the Rate for FY2024. I find the FY2024 Capital Fund Component to be appropriate.
6. The Authority's proposed rate adjustments in Section IV below reflect the assessment of reasonable total rates for the preservation of the reliability of this vital supply of water for a vital portion of the State's population and to ensure that the System is adequately maintained.

#### IV. RECOMMENDATIONS

1. Resolution No. 2552 dated 11/7/22 authorized \$587,180 in unanticipated revenues to be appropriated into the Rate Stabilization Fund, all of which would be used in the FY2024 MRS budget.<sup>1</sup> The resolution adopting the final rates will authorize \$587,180 in unanticipated revenues to be appropriated into the Rate Stabilization Fund for use in FY2024.
2. The Authority must adopt rates that fully cover its annual Operations and Maintenance expenses and Debt Service payments as required by the Bond Resolution.
3. The Authority should adopt a FY2024 total initial water purchase contract rate of \$1,010.75/mg and total delayed water purchase contract rate of \$1,124.67/mg. This is consistent with the originally proposed rates and as such no further Rule change is necessary.
4. The Authority should adopt a FY2024 O&M rate component of \$445.82/mg for initial water purchase contracts and delayed water purchase contracts dated July 1, 2001, October 1, 2002, January 1, 2005 and July 1, 2006. This is consistent with the

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

Initial Proposal and as such no further Rule change is necessary.

5. The Authority should adopt a FY2024 Debt Service Assessment Rate for the delayed water purchase contracts dated July 1, 2001, October 1, 2002, and January 1, 2005 of \$438.92/mg. This is consistent with the Initial Proposal and as such no further Rule change is necessary.
6. The Authority should adopt a FY2024 NJEIFP Debt Component Rate of \$24.93/mg. This is consistent with the Initial Proposal and as such no further Rule change is necessary.
7. The Authority should adopt a FY2024 rate of \$15.00/mg for the Source Water Protection Fund Component, which is unchanged from the Initial Proposal. As such no further Rule change is necessary.
8. The Authority should adopt a FY2024 Capital Fund Component of \$525.00/mg for initial water purchase contracts, which is unchanged from the Initial Proposal. As such no further Rule change is necessary.
9. The Authority should adopt a FY2024 Capital Fund Component of \$200.00/mg for delayed water purchase contracts, which is unchanged from the Initial Proposal. As such no further Rule change is necessary.
10. There is no change from the Initial Proposal to the FY2024 total O&M Component sales base of 19.443 mgd, the initial water purchase contract sales base of 15.008 mgd or the delayed water purchase contract sales base of 4.435 mgd.
11. The Authority's proposed rate adjustments reflect the assessment of reasonable total rates for the preservation of the reliability of this vital source of water for the region served by this facility.

SUMMARY OF RECOMMENDED RATE ADJUSTMENTS

Initial Water Purchase Contracts

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

Component	Current Rates Per MG 7/1/22-6/30/23	Initial Proposed Rates Per MG 7/1/23-6/30/24	Recommended Rates Per MG 7/1/23-6/30/24
Operations & Maintenance Expense Component	\$ 445.82	\$ 445.82	\$ 445.82
Source Water Protection Fund Component	\$ 15.00	\$ 15.00	\$ 15.00
NJEIFP Debt Component	\$ 24.93	\$ 24.93	\$ 24.93
Capital Fund Component	\$ 525.00	\$ 525.00	\$ 525.00
Total Rate	\$1,010.75/mg	\$1,010.75/mg	\$1,010.75/mg

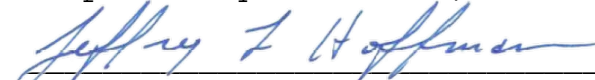
Delayed Water Purchase Contracts

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

Component	Current Rates Per MG 7/1/22-6/30/23	Initial Proposed Rates Per MG 7/1/23-6/30/24	Recommended Rates Per MG 7/1/23-6/30/24
Operations & Maintenance Expense Component	\$ 445.82	\$ 445.82	\$ 445.82
Source Water Protection Fund Component	\$ 15.00	\$ 15.00	\$ 15.00
Debt Service Cost Component	\$ 438.92	\$ 438.92	\$ 438.92
NJEIFP Debt Component	\$ 24.93	\$ 24.93	\$ 24.93
Capital Fund Component	\$ 200.00	\$ 200.00	\$ 200.00
Total Rate	\$1,124.67/mg	\$1,124.67/mg	\$1,124.67/mg

The proposed Adjustments to the "Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir Water Supply System", with an effective date of July 1, 2023 are hereby recommended for adoption by the Authority.

Respectfully submitted,



Jeffrey Hoffman  
Hearing Officer  
March 14, 2023

# Resolution Proposing Rate Adjustments

## Exhibit A

RESOLUTION OF THE NEW JERSEY WATER SUPPLY AUTHORITY

NO.: 2552

DATE OF ADOPTION: November 7, 2022

TITLE: Resolution Authorizing Publication of Proposed Change in the Authority's Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System.

WHEREAS, N.J.S.A. 58:1B-7g and 58:1B-19 provide for the New Jersey Water Supply Authority ("Authority") to fix and revise from time to time its rates, fees and charges; and

WHEREAS, the Authority has estimated its revenue requirements for the fiscal year beginning on July 1, 2023; and

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

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

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

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



WHEREAS, the Authority must provide for sufficient revenue and rate structure to cover its costs and long-term capital needs.

NOW THEREFORE, be it resolved that the Authority proposes to amend its Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System in the existing regulations found at N.J.A.C. 7:11-4.1 et seq. dealing with primarily the following proposed changes:

1. Amend N.J.A.C. 7:11-4.3(c) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain a sales base of 19.443 million gallons per day and to maintain the Operations and Maintenance Expense component of \$445.82 for the period of July 1, 2023 to June 30, 2024; and
2. Amend N.J.A.C. 7:11-4.4(b) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain a sales base of 4.435 million gallons per day for delayed water purchase contracts and to maintain the delayed debt service rate assessment of \$438.92 per million gallons for the period of July 1, 2023 to June 30, 2024; and
3. Amend N.J.A.C. 7:11-4.5(c) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain the initial water purchase contract customer assessment of \$525.00 per million gallons for the period of July 1, 2023 to June 30, 2024; and

4. Amend N.J.A.C. 7:11-4.5(e) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain the delayed water purchase contract customer assessment of \$200.00 per million gallons for the period of July 1, 2023 to June 30, 2024; and

5. Amend N.J.A.C. 7:11-4.6(b) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain the source water protection rate of \$15.00 per million gallons for the period of July 1, 2023 to June 30, 2024; and

6. Amend N.J.A.C. 7:11-4.7(b) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain the New Jersey Environmental Infrastructure Finance Program rate of \$24.93 per million gallons for the period of July 1, 2023 to June 30, 2024.

BE IT FURTHER RESOLVED that the following actions are authorized:

1. Transfer \$6,230 in Overdraft Revenue into the General Fund (Rate Stabilization). Appropriate \$580,950 in prior year year-end fund balances from the Operating Fund into the Rate Stabilization Fund.

2. Apply \$587,180 appropriated into the General Fund (Rate Stabilization) to the Operating Fund for Fiscal Year 2024.

**Basis and Background Document in  
Support of Rate Adjustment Proposal**

**Exhibit B**

**NEW JERSEY WATER SUPPLY AUTHORITY**

**BASIS AND BACKGROUND STATEMENT**

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

**ADJUSTMENT OF OPERATIONS AND MAINTENANCE EXPENSE COMPONENT TO REFLECT NO CHANGE IN THE OPERATIONS AND MAINTENANCE COMPONENT RATE FOR FISCAL YEAR 2024**

**ADJUSTMENT OF SOURCE WATER PROTECTION FUND COMPONENT TO REFLECT NO CHANGE IN COMPONENT RATE FOR FISCAL YEAR 2024**

**ADJUSTMENT OF DEBT SERVICE COST COMPONENTS TO REFLECT BOND YEAR PAYMENTS DUE AND REQUIRED FOR FISCAL YEAR 2024**

**ADJUSTMENT OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM DEBT COMPONENT TO REFLECT BOND YEAR PAYMENTS DUE AND REQUIRED FOR FISCAL YEAR 2024**

**ADJUSTMENT OF CAPITAL FUND COMPONENT RATE FOR INITIAL AND DELAYED WATER PURCHASE CONTRACT CUSTOMERS TO REFLECT NO CHANGE FOR FISCAL YEAR 2024**

**Effective Date: July 1, 2023**

**Approved: 11/7/2022**

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**PART I – EXPLANATION OF PROPOSED REVISED RATE STRUCTURE**

**Overview of Rate Proposal for Fiscal Year 2024**

(July 1, 2023 - June 30, 2024)

The New Jersey Water Supply Authority (Authority) is proposing to adjust its Schedule of Rates, Charges and Debt Service Assessments for the sale of water from the Manasquan Reservoir Water Supply System (System), to cover expenses for the Fiscal Year (FY) starting on July 1, 2023.

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

**Summary of Proposed Adjustments**

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

Component	Current (FY2023) Rates Per MG 7/1/2022 – 6/30/2023	Proposed (FY2024) Rates Per MG 7/1/2023 – 6/30/2024
Operations & Maintenance Component	\$445.82	\$445.82
Source Water Protection Fund Component	15.00	15.00
NJEIFP Debt Component	24.93	24.93
Capital Fund Component	525.00	525.00
<b>TOTAL RATE</b>	<b>\$1,010.75/mg</b>	<b>\$1,010.75/mg</b>

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

Component	Current (FY2023) Rates Per MG 7/1/2022 – 6/30/2023	Proposed (FY2024) Rates Per MG 7/1/2023 – 6/30/2024
Operations & Maintenance Component	\$445.82	\$445.82
Source Water Protection Fund Component	15.00	15.00
Debt Service Cost Component	438.92	438.92
NJEIFP Debt Component	24.93	24.93
Capital Fund Component	200.00	200.00
<b>TOTAL RATE</b>	<b>\$1,124.67/mg</b>	<b>\$1,124.67/mg</b>

The General Rate Schedule for Operations and Maintenance (O&M) was last adjusted effective July 1, 2022 to cover the operating expenses of the System for FY2023. The FY2023 sales base was 19.443 million gallons per day (mgd). The Authority anticipates that the applicable raw water O&M sales base for FY2024 will remain the same at 19.443 mgd. The initial sales base will remain the same at 15.008 mgd and the delayed sales base will remain at 4.435 mgd.

After the allocation of appropriate Headquarters General and Administrative costs to the System, the Authority anticipates \$3,161,689 in O&M component revenue required during FY2024 with an O&M rate component of \$445.82 per million gallons, no change from FY2023, starting on July 1, 2023 (Schedule 20, page 41). The proposed operating expense budget for FY2024 is \$48,464 higher than FY2023 and the proposed Capital Equipment Budget, net of depreciation reserve, is \$14,200 more than FY2023. In FY2024 there will be a \$10,000 contribution to the Sediment Reserve Fund, a \$120,000 contribution to the Renewal and Replacement Fund, a \$5,000 contribution to the Formal Dam Inspection Reserve, and a \$15,000 contribution to the High Voltage Testing Reserve Fund, the same as in FY2023. In FY2024 there will be no contribution to the Other Post-Employment Benefits Reserve and no Supplemental Renewal and Replacement Fund contribution. The OPEB Reserve is fully funded. See Budget Summary on page 19.

The Manasquan Reservoir system owes \$19,615 to the SMMUA Water Treatment Plant and Transmission System for actual FY2022 salary and fringe expenses. This amount will be applied to the CY2023 SMMUA budget (Schedule 15, pages 34-36).

Miscellaneous revenue and interest income in FY2024 is projected to increase by \$66,650 relative to FY2023, reflecting an increase in the use of year end surplus available from FY2022 (Schedule 17, page 38), as well as higher interest earnings (Schedule 16, page 37). Overdraft revenue of \$6,230 is available from 2023.

The System was financed with loans from the State of New Jersey and a Debt Service



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

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

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

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

The Debt Service component of the rate for the Delayed Water Purchase Contracts (DWP) will be \$438.92 per million gallons, no change from FY2023. The portion of debt related to Initial Water Purchase Contracts was retired effective August 1, 2020, and the associated Debt Service component was eliminated in FY2021.

The Authority established a Source Water Protection Fund Component in FY2004 dedicating \$15.00 per million gallons to protect the quality and quantity of water in the Manasquan Water Supply System. The Authority decreased the rate component by \$5.00 per million gallons from \$15.00 to \$10.00 for this fund in FY2016. In order to cover program needs the Authority increased the rate by \$5.00 per million gallons to restore the rate to \$15.00 per million gallons in FY2018. The Authority recommends no change to the rate of \$15.00 per million gallons in FY2024.

The Authority closed on a loan to the New Jersey Environmental Infrastructure Financing Program (NJEIFP) on May 3, 2012 to finance the construction of a building structure over the Intake Pump Station and traveling water screens to protect the infrastructure from degradation by the elements. The final interest on the loan is based on 75 percent at zero interest and 25 percent market rate with coupons up to 5 percent for an effective interest rate of .8 percent over the twenty-year life of the loans. The rate component of \$24.93 per million gallons in FY2024 is required to cover debt service payments in accordance with the schedule and is no change from the FY2023 rate.

A capital fund rate component was established in the Manasquan System for Initial Water

Purchase Contracts (\$525.00/mg) and Delayed Water Purchase Contracts (\$200.00/mg) in FY2021 to provide for long-term capital needs that will allow for the proper maintenance, rehabilitation and/or replacement of the system facilities. As critical structures, including dams, continue to age in the thirty-year old Manasquan System, the Authority believes it is prudent to maintain a rate component that would fund related capital needs. The Authority recommends no change to the rate of \$525.00 per million gallons for Initial Water Purchase Contract customers and \$200.00 per million gallons for Delayed Water Purchase Contract customers in FY2024.

For Initial Water Purchase Contract customers in FY2024, the base contract O&M Rate (\$445.82), Source Water Protection Program Rate (\$15.00), NJEIFP Debt Rate (\$24.93) and Capital Fund Component (\$525.00) comprise the total base contract rate for raw water of \$1,010.75 per million gallons and represent no increase in the rate relative to FY2023. This base contract rate is charged to all uninterruptible service contracts executed prior to July 1, 1990 (and renewed at July 1, 2015), the commencement date of Manasquan Reservoir System operations, and one Delayed Water Purchase contract with Shorelands Water Company (subsequently acquired by New Jersey American) executed on July 1, 2006. In order for its customers to be assessed the base contract rate on the .028mgd delayed contract, Shorelands Water Company prepaid the net present value of the difference between the initial water purchase contracts debt service schedule and the delayed water purchase contracts debt service schedule.

The total rate for Delayed Water Purchase Contract customers in FY2024 is \$1,124.67 per million gallons, representing no change relative to the FY2023 delayed water purchase rate. The O&M Component (\$445.82), the Source Water Protection Fund Component (\$15.00), the Debt Service Rate Component (\$438.92), the NJEIFP Debt Rate (\$24.93) and the Capital Fund Component (\$200.00) comprise the total rate.

Table 1 (page 15) contains a summary of the proposed base contract rate and delayed water purchase contract rate components. The proposed rates shown in Table 1 are effective July 1, 2023 through June 30, 2024. These rates are based upon the projected operating costs and reflect an estimated contracted sales base of 19.443mgd.

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

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

Water use payments are to be made quarterly with due dates of October 10, 2023, January 10, 2024, April 10, 2024 and July 10, 2024.

The balance of this document contains a further discussion of the individual rate components, a Schedule of Events and detailed supporting information for the proposed rate adjustment.

### **Schedule of Events**

A pre-public hearing on the proposed rate adjustment is scheduled at 11:00 a.m. on Thursday, January 5, 2023.

A public hearing on the proposed rate adjustment is scheduled at 11:00 a.m. on Thursday, February 2, 2024. The public hearing record is estimated to close on March 13, 2022.

Further information regarding the dial-in information or location for the pre-public hearing meeting and for the public hearing will be posted on the Authority's website at <https://www.njwsa.org/public-notices.html> at least 15 days prior to the date of the meeting/hearing.

The Authority will take final action on the proposed rate adjustment at its May 1, 2023 meeting at the Authority's Administration Building in Clinton, New Jersey.

### **Distribution of Headquarters General and Administrative Costs and Insurance Costs to all Operating Systems**

On July 1, 1990 the Authority placed the Manasquan Reservoir Water Supply System in operation to provide an untreated water supply for use throughout Monmouth County. In addition to this major System, the Authority also began operation of the Water Treatment Plant and Transmission System for the Monmouth County Improvement Authority (MCIA) on July 1, 1990. The Boroughs of Brielle, Spring Lake, Spring Lake Heights, Sea Girt and Wall Township entered into agreements with the MCIA for this treatment/transmission system, which treats and conveys their portion of the supply from the Manasquan Reservoir Water Supply System. In December 2008, the five member communities created the Southeast Monmouth Municipal Utilities Authority and in September 2009 purchased the Water Treatment Plant from the MCIA; the Authority continues to operate the Water Treatment Plant. The Authority also operates the Spruce Run/Round Valley Reservoirs Complex and the Delaware and Raritan Canal Water Supply Transmission Complex comprising the Raritan Basin System, headquartered in Clinton, New Jersey. As a result, the Authority is operating, maintaining and managing three distinct Systems each with its own budget, cost accountability and revenue stream.

The Authority's headquarters staff located in Clinton provides general and administrative support services for all three Systems. These services include, but are not limited to, Financial Management, Payroll, Human Resources, Purchasing, Contract Administration, Risk Management, and overall management.

In order to equitably assess the customers of each of the three Systems, the Authority previously retained the services of an auditing firm to develop a methodology for the allocation of the Headquarters General and Administrative costs to all three operating Systems. After the close of each fiscal year, the Authority's current Auditors provide the Authority with their findings as to the adjustment, if any, of the allocation factors and the actual audited expenditures for the fiscal year.

The audit report for the immediately preceding fiscal year ending June 30 is available during November. Each September the Authority formulates the proposed budgets for the upcoming fiscal year starting on the following July 1. The adjusted allocation factors, if any, and the audited expenditures for the previous fiscal year are used to establish a debit or credit for each of the three operating Systems. This debit or credit is applied to the budgets being prepared each September for the upcoming fiscal year starting on July 1.

An independent auditor performed the Authority's FY2022 audit. The audit included a review of the allocation factors, as well as the actual audited expenditures. The appropriate adjustments have been made to the FY2024 budget based on the FY2022 audit. A copy of the Auditor's report on the allocation of the Headquarters General and Administrative costs is included in the Appendices to the rate proposal package for each System.

Insurance costs are also allocated to each System based upon the recommendations of the Authority's Risk Management Consultant. See the rate proposal package for additional information.

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

A common staff operates the System and the Treatment Plant/Transmission System. Salaries are allocated between the two Systems based upon time records that were kept during the fiscal year ending on June 30, 2022. The percentages used to provide the basis for the salary allocation for FY2024 were established from historical time records and estimated future workload relative to both Systems. A listing of all positions and the percentage of each position's time assigned to each of the two Systems appear on Schedule 2 (page 21).

Detailed budgets have been prepared for the Manasquan Reservoir System and the Treatment Plant/Transmission System. Each System's budget has three main categories of annual operational expenses in addition to the allocation of headquarters overhead. The three categories include (a) salaries and fringes (b) direct operation and maintenance expenses and (c) general and administrative expenses. Part 2 of this document provides more information on both Systems including detailed summaries of the projected line item budget figures for General and Administrative expenses and Operations and Maintenance expenses for FY2024.

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

#### Overview of Sales Base

On July 1, 1990 the Authority placed the Manasquan Reservoir Water Supply System in operation to provide an untreated water supply for use throughout Monmouth County. Twelve of the 13 original water purchase contracts were renewed effective July 1, 2015 and expire June 30, 2040. The final customer contract, New Jersey American, consolidated the initial water purchase and delayed water purchases for a total of 12.5 mgd and has an expiration date of June 30, 2031. Of the 13 contracts, six are two-party contracts with the New Jersey Water Supply Authority. These are the five treated water customers (Wall Township and the Boroughs of Brielle, Sea Girt, Spring Lake and Spring Lake Heights) of the Southeast Monmouth Municipal Utilities Authority's water treatment plant operated by the New Jersey Water Supply Authority and the New Jersey American Contract. One is a three-party contract (Keyport Borough) among the Authority, the customer and Shorelands Water Company (subsequently acquired by New Jersey American) for the delivery of water through Shorelands' distribution system. Six contracts (the Boroughs of Avon, Belmar, Matawan, Red Bank and Lake Como, and Shorelands (recently acquired by New Jersey American)) are three-party contracts among the Authority, the customers and New Jersey American for the provision of treated water from New Jersey American. The total sales base dropped from 20.560mgd to 19.443mgd

effective July 1, 2015 and remain at 19.443mgd for FY2024.

### Overview of Projected Operational Expenses

The Authority's proposed FY2024 Manasquan Reservoir Total Expense budget is \$172,464 more than the current FY2024 budget. The allocation of Authority Headquarters General and Administrative Expenses in FY2024 increases \$124,000 versus FY2023. Capital Equipment budget for FY2024 is \$14,200 more than FY2023. There will be no FY2024 contribution to the Depreciation Reserve account, Insurance Reserve, or Pumping Reserve. There will be a \$10,000 contribution to the Sediment Reserve, a \$5,000 contribution to the Formal Dam Inspection Reserve, and a \$15,000 contribution to the Reserve for High Voltage Testing. Formal Dam Inspections and High Voltage Testing are performed every three years and rather than raising the entire amount every third year, budget stability is created by raising one third of the cost every year. There will be a normal contribution to the Renewal and Replacement Fund of \$120,000. There will be no contribution to the reserve for other post-employment benefits (accrued sick leave payments for retirees) which was created in FY2017. Miscellaneous revenue and interest income increases by \$66,650. These factors contribute to a flat FY2024 O&M Component requirement relative to FY2023 (\$3,161,689 vs. 3,161,711) (Budget Summary on page 19).

Total O&M Direct Expenses are increasing by \$22,336 from FY2023, largely due to increases in insurance expenses. General and Administrative Expenses allocated to the Reservoir System are increasing by \$27,987 as compared to FY2023, driven mostly by projected increases in fuel costs.

### Salaries, Overtime and Benefits

Authority employees within the Communications Workers of America (CWA), the International Federation of Professional Technical Engineers (IFPTE) and the International Brotherhood of Electrical Workers (IBEW) are currently operating under a contract that expires on June 30, 2023. The FY2024 budget incorporates all union negotiated step increases in the current union contracts and assumes a 2% cost of living increase. The IFPTE/AFL-CIO represents the Authority's Maintenance, Craft and Security Units and the CWA represents the Authority's Administrative and Clerical, Primary Level and Higher Level Supervisors Units. The IBEW represents one management employee. Also included is a 2% cost of living increases for the one member of Authority management who is not represented by a union. The Authority is budgeting 59 percent of the Salary budget for fringe benefits in FY2024, exclusive of retiree medical.

Pension expense payable to the state of New Jersey on April 1, 2023 is anticipated to be approximately \$260,000 for the Manasquan System. The Authority has budgeted \$278,100 for this line item in FY2024. Although increases have stabilized in the last three years, there is still a level of uncertainty in this expense item because the pension system remains significantly underfunded.

Total salary and fringe is increasing by approximately \$143,000 in FY2024 as compared to FY2023, and the portion allocated to the Reservoir System is decreasing by approximately \$2,000, based on estimated work effort on each system for all positions. In FY2024, 46 percent of total salary and fringe is allocated to the Reservoir System and 54 percent to the Treatment Plant. The number of budgeted positions in FY2024 is 27, which is the same as FY2023 (Schedule 2, page 21).

### Active and Retiree Health Benefits

Employees who retired with a minimum of 25 years of service prior to July 1, 1997 are entitled to paid health benefits. Those who attain 25 years on or after July 1, 1997 share some portion of post-retirement health benefit costs with the employer as determined by union contract or bargaining unit agreement. The Authority is budgeting one additional retiree in FY2024. Indications from state level negotiations point to significant increases in health care premiums in calendar year 2023 (24 percent for active employee medical, and 12 percent for retiree medical). Centers for Medicare and Medicaid Services (CMS) estimates that national health care spending will increase at an annual rate of 5.1 percent from 2021-2030. Starting with actual 2022 premiums, the Authority budgeted a 24 percent medical premium increase for active employees and a 12 percent medical premium increase for retirees for CY2023. For CY2024, a 5.1 percent increase was assumed for both categories.

### **Insurance Program**

The Authority is recommending a \$38,547 increase in insurance expenses for FY2024, reflecting general market conditions as assessed by the Authority's insurance broker/ risk consultant, and based on a recent recalculation of relative asset values. Broker services are remarketed every three years and the insurance program is renewed annually on March 1.

Allocation of the Primary, Umbrella and Public Officials Liability insurance costs between the three Systems is based upon proportionate water sales. The Automobile Liability cost is allocated based upon the assignment of vehicular equipment to each System. The cost of the Business Property coverage is allocated on the basis of insured values for each System and the Workers Compensation premiums are allocated on the basis of salaries for each System.

### **Headquarters General and Administrative Expenses**

Budgeted Headquarters General and Administrative Expenses in FY2024 total \$893,000, of which \$770,000 is charged to the Manasquan Reservoir System and \$124,000 is charged to the Manasquan Water Treatment Plant (Schedule 13, page 32). The FY2024 budget also includes the reconciliation of the FY2022 actual to budget variance in this category. Headquarters charges are driven primarily by salary and fringe.

### **Interest Income and Miscellaneous Revenue**

The projected interest earnings on reserve funds for FY2024 are \$90,200. This reflects an increase of \$63,600 relative to FY2023 and is based upon an interest rate of 1.0 percent for short-term investments (See Schedule 16, page 37).

### **Reserve Contributions**

Consistent with FY2023, there will be no FY2024 contribution to the Insurance Reserve or the Pumping Reserve. During FY2024, the Authority will make no contributions from rate component sources to the Depreciation Reserve. Interest earnings from long-term investment

accounts have historically been applied to the Depreciation Reserve and are serving to keep this reserve fully funded. There will be a \$10,000 contribution to the Sediment Reserve. There will be a regular \$120,000 contribution to the Renewal and Replacement Fund, a \$5,000 contribution to the Reserve for Formal Dam Inspections and a \$15,000 contribution to the Reserve for High Voltage Testing. Formal Dam Inspections and High Voltage Testing are performed every three years and rather than raising the entire amount every third year, budget stability is created by raising one third of the cost every year. There were two new reserve fund contributions in FY2017 which will not be funded in FY2024. There was a supplemental contribution of \$350,000 to the Renewal and Replacement Fund in FY2017 that is not required in FY2024. The Authority requires a minimum balance of \$2 million in the fund to cover dam emergencies, and pipeline and pump emergent repairs. Because the system is aging, there are normal maintenance expenditures included in the five-year plan that would have drawn the fund down below the \$2 million requirement without the supplemental deposit. Finally, the Authority funded a reserve for other post-employment benefits (accrued sick leave) in FY2017 to ensure that sufficient funds are available to pay out sick benefits as this number is not regularly budgeted in salary and fringe.

### **Review of Reserve Accounts**

#### **Depreciation Reserve Account**

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

#### **Self Insurance Reserve**

The Self Insurance Fund was established for the System to allow the Authority to make choices between underwritten risk and self-insurance risk in the face of increased prices in the insurance market. No contribution is being made to the fund in FY2024.

#### **Reserve for Operations and Maintenance**

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

An additional \$100,000 was added during FY1993 from the receipt of delinquent revenue and resulted in full funding of this reserve. The Reserve for Operations and Maintenance Fund was fully funded as of June 30, 2016 and as a result, no contribution will be needed in FY2024.

## Renewal & Replacement Reserve

The Renewal & Replacement Reserve is to be used for costs of capital improvements including repairs to facilities not covered by insurance and payment of extraordinary O&M costs. As per the terms of the project financing, this Reserve is to be funded by the excess debt service coverage revenue after the Debt Service Reserve requirement has been accumulated. An initial deposit of \$24,287 had been made into this account from overdue revenue received during FY1993. Excess annual debt service coverage amounts were later transferred into this fund. The balance in the fund as of June 30, 2022 was approximately \$4,100,000. Excess interest earnings on the Debt Service Reserve and Debt Service Funds and excess debt service coverage revenue as well as a direct deposit of \$120,000 provide the source of funds for this reserve account.

## Source Water Protection Fund Rate Component

The Authority established its Watershed Protection Unit in 1999 to implement a watershed management program for the Raritan River Basin pursuant to a Memorandum of Agreement with the New Jersey Department of Environmental Protection. Primary functions of the Unit are planning for watershed protection and development and implementation of projects that improve protection of water supply.

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

Whenever possible, the Authority will seek to obtain funding from other sources to augment or match its expenditures from the Source Water Protection Fund. The balance in the Source Water Protection Fund at June 30, 2022 was approximately \$1,500,000. Because of overall rate considerations in prior years, the Authority reduced the Source Water Protection Fund Component from \$15.00 per million gallons to \$10.00 per million gallons in FY2016 and FY2017 and reinstated the rate to \$15.00 per million gallons in FY2018 to ensure adequate funding for these initiatives. The Authority proposes no change to the rate in FY2024.

## Optional Water Use Schedule

The Authority continues allowing the use of an Optional Water Use Schedule. When the total of all uninterruptible supply contract diversions is equal to or less than 25mgd, the Purchaser may operate pursuant to an optional water use schedule wherein the Purchaser may divert up to 20 percent in excess of the total contracted amount for any given month.



### **Overdraft Service**

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

### **Other Rule Amendments**

There are no other rule amendments for FY2024.

**PART II – DETAILED SUPPORTING INFORMATION**

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Table 1 - Summary of Proposed Fiscal Year 2024 Adjustments**

BASED ON PRESENT USAGE

The rates, charges and debt service assessments listed below shall be paid for raw water allocated by contract from the Manasquan Reservoir System for the **base contracts effective as of July 1, 2015 (14.980mgd), and Shorelands (.028mgd) delayed water contract effective July 1, 2006:**

I. July 1, 2023 to June 30, 2024

Rate Component	Current	Original Proposal 11/07/22	Difference	Percentage Increase (Decrease)
Operations & Maintenance Expense Component	\$445.82	\$445.82	\$0.00	0.00%
Source Water Protection Fund Component	\$15.00	\$15.00	\$0.00	0.00%
NJEIFP Debt Component	\$24.93	\$24.93	\$0.00	0.00%
Capital Fund Component	\$525.00	\$525.00	\$0.00	0.00%
Total Rate	\$1,010.75/mg	\$1,010.75/mg	\$0.00/mg	0.00%

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

II. July 1, 2023 to June 30, 2024

Rate Component	Current	Original Proposal 11/07/22	Difference	Percentage Increase (Decrease)
Operations & Maintenance Expense Component	\$445.82	\$445.82	\$0.00	0.00%
Source Water Protection Fund Component	\$15.00	\$15.00	\$0.00	0.00%
Debt Service Cost Component	\$438.92	\$438.92	\$0.00	0.00%
NJEIFP Debt Component	\$24.93	\$24.93	\$0.00	0.00%
Capital Fund Component	\$200.00	\$200.00	\$0.00	0.00%
Total Rate	\$1,124.67/mg	\$1,124.67/mg	\$0.00/mg	0.00%

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Table 2 - Rate History of Water Charges per Million Gallons of Raw Water - Initial  
FY2005-FY2024**

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

<u>Effective Date</u>	<u>O&amp;M Charge</u>	<u>Source Water Protection</u>	<u>Debt Repayment 2/1/91-8/01/20</u>	<u>NJEIFP Debt Component</u>	<u>Capital Fund Component</u>	<u>Total Charge per MG</u>	<u>Percent Increase (Decrease)</u>
July 1, 2004	321.69	15	584.95			\$921.64	15.93%
July 1, 2005	295.41	15	584.6			\$895.01	-2.89%
July 1, 2006	295.41	15	522.86			\$833.27	-6.90%
July 1, 2007	302.52	15	528.54			\$846.06	1.53%
July 1, 2008	302.52	15	566.59			\$884.11	4.50%
July 1, 2009	396.79	15	568.26			\$980.05	10.85%
July 1, 2010	396.79	15	568.69			\$980.48	0.04%
July 1, 2011	347.39	15	618.09	35.42		\$1,015.90	3.61%
July 1, 2012	345.95	15	619.53	35.42		\$1,015.90	0.00%
July 1, 2013	356.61	15	619.87	24.42		\$1,015.90	0.00%
July 1, 2014	356.61	15	619.87	24.42		\$1,015.90	0.00%
July 1, 2015	386.00	10.00	636.61	24.79		\$1,057.40	4.09%
July 1, 2016	432.87	10.00	636.61	25.10		\$1,104.58	4.46%
July 1, 2017	432.87	15.00	570.55	24.93		\$1,043.35	-5.54%
July 1, 2018	432.87	15.00	570.55	24.93		\$1,043.35	0.00%
July 1, 2019	432.87	15.00	570.55	24.93		\$1,043.35	0.00%
July 1, 2020	445.82	15.00	0.00	24.93	525.00	\$1,010.75	-3.12%
July 1, 2021	445.82	15.00	0.00	24.93	525.00	\$1,010.75	0.00%
July 1, 2022	445.82	15.00	0.00	24.93	525.00	\$1,010.75	0.00%
<b>July 1, 2023</b>	<b>445.82</b>	<b>15.00</b>	<b>0.00</b>	<b>24.93</b>	<b>525.00</b>	<b>\$1,010.75</b>	<b>0.00%</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Table 3 - Rate History of Water Charges per Million Gallons of Raw Water - Delayed**  
FY2010-FY2024

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

<u>Effective Date</u>	<u>O&amp;M Charge</u>	<u>Source Water Protection</u>	<u>Debt Repayment 2/1/02-8/01/31</u>	<u>NJEIFP Debt Component</u>	<u>Capital Fund Component</u>	<u>Total Charge per MG</u>	<u>Percent Increase (Decrease)</u>
July 1, 2009	396.79	15.00	763.24			\$1,175.03	8.82%
July 1, 2010	396.79	15.00	756.19			\$1,167.98	-0.60%
July 1, 2011	347.39	15.00	770.90	35.42		\$1,168.71	0.06%
July 1, 2012	345.95	15.00	772.12	35.42		\$1,168.49	-0.02%
July 1, 2013	356.61	15.00	772.46	24.42		\$1,168.49	0.00%
July 1, 2014	356.61	15.00	772.46	24.42		\$1,168.49	0.00%
July 1, 2015	386.00	10.00	770.07	24.79		\$1,190.86	1.91%
July 1, 2016	432.87	10.00	770.07	25.10		\$1,238.04	3.96%
July 1, 2017	432.87	15.00	664.96	24.93		\$1,137.76	-8.10%
July 1, 2018	432.87	15.00	664.96	24.93		\$1,137.76	0.00%
July 1, 2019	432.87	15.00	664.96	24.93		\$1,137.76	0.00%
July 1, 2020	445.82	15.00	438.92	24.93	200.00	\$1,124.67	-1.15%
July 1, 2021	445.82	15.00	438.92	24.93	200.00	\$1,124.67	0.00%
July 1, 2022	445.82	15.00	438.92	24.93	200.00	\$1,124.67	0.00%
<b>July 1, 2023</b>	<b>445.82</b>	<b>15.00</b>	<b>438.92</b>	<b>24.93</b>	<b>200.00</b>	<b>\$1,124.67</b>	<b>0.00%</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule of Events**

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

**2022**

- SEPTEMBER 27 Advise Water Users of informal meeting.
- OCTOBER 27 Informal meeting with Water Users – 11:00 AM.
- NOVEMBER 7 Board reviews and approves proposed Rates.
- DECEMBER 18 Mail Official Notice to water customers, Rate Payer Advocate, interested parties and advertise in newspapers.

**2023**

- JANUARY 3 Publication in the New Jersey Register.
- 5 Pre-Public Hearing – 11:00 AM (within 45 days of Official Notice).  
Deadline for responses to inquires received prior to pre-public hearing.
- 30 Deadline for receipt of comments to be addressed at Public Hearing  
(15 days after pre-public hearing).
- FEBRUARY 2 Public Hearing Meeting. (Manasquan Administration Building) – 11:00  
AM Deadline for responses to inquires received between pre-public and  
public hearing.
- 16 Written responses to questions raised at Hearing (within 10  
business days of the public hearing).
- MARCH 4 NJ Register Comment Period Ends.
- 13 Public Hearing record closes (25 business days after  
Public Hearing).
- MAY 1 Board approval of FY 2024 Rates & Budget
- JULY 1 Effective date.

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Proposed Fiscal Year 2024 Budget Summary**

(07/01/23-06/30/24)

	ADOPTED F/Y2023 <u>Reservoir Budget</u>	PROPOSED F/Y2024 <u>Reservoir Budget</u>
Proposed Operating Expense Budget (Schedule 1)	\$ 2,818,990	\$2,867,454
Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 13)	<u>\$ 646,000</u>	<u>\$ 770,000</u>
Proposed Total Expense Budget	\$ 3,464,990	\$ 3,637,454
Proposed Capital Equipment Budget (Schedule 14)	\$ 17,800	\$ 32,000
Contribution to Reserve Funds		
- Sediment Reserve	\$ 10,000	\$ 10,000
- Formal Dam Inspection Reserve	\$ 5,000	\$ 5,000
- Renewal & Replacement Fund	\$ 120,000	\$ 120,000
- High Voltage Testing Reserve	\$ 15,000	\$ 15,000
- Other Post Employment Benefits Reserve	\$ -	\$ -
- Supplemental Renewal & Replacement	\$ -	\$ -
Adjustment for F/Y22 Salary and Fringe Expenses to be paid (from)/to WTP/TS Account (Schedule 15)	\$ 139,651	\$ 19,615
Adjustment for F/Y21 Salary and Fringe Expenses to be paid (from)/to WTP/TS Account	<u>                    </u>	<u>\$ -</u>
Total Budget Requirements	<u>\$ 3,772,441</u>	<u>\$ 3,839,069</u>
Interest Earnings on Funds (Except Renewal and Replacement and Depreciation Reserve Fund) (Schedule 16)	\$ (26,600)	\$ (90,200)
Unanticipated Revenue (Schedule 17)	<u>\$ (584,130)</u>	<u>\$ (587,180)</u>
Total Miscellaneous Revenue & Interest Income	<u>\$ (610,730)</u>	<u>\$ (677,380)</u>
Net Amount to be paid for O & M Component	<u>\$ 3,161,711</u>	<u>\$ 3,161,689</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

Fiscal Year 2024

	F/Y2022 Reservoir Actual	F/Y2023 Reservoir Adopted	F/Y2024 Reservoir Proposed
Salaries & Fringe Benefits (Schedule 2)	1,431,579	1,520,516	\$1,518,655
O & M Direct Expense (Schedule 3)	1,015,532	1,157,613	1,179,949
G&A Expenses (Schedule 5)	<u>96,876</u>	<u>140,864</u>	<u>168,851</u>
Total Operations & Maintenance Budget	\$2,543,988	\$2,818,993	\$2,867,454

	F/Y2021 Actual		F/Y2022 Actual		F/Y2023 Adopted		F/Y 2024 Proposed	
	Reservoir	WTP/TS	Reservoir	WTP/TS	Reservoir	WTP/TS	Reservoir	WTP/TS
Salaries/Fringe*	\$1,432,540	\$1,309,324	1,431,579	1,424,501	1,520,516	1,623,354	\$1,518,655	\$1,768,221
O & M Direct Expense	846,229	722,957	1,015,532	896,933	1,157,613	891,139	1,179,949	978,080
G & A Expense	<u>96,524</u>	<u>62,108</u>	<u>96,876</u>	<u>67,166</u>	<u>140,864</u>	<u>93,438</u>	<u>168,851</u>	<u>106,701</u>
Total	\$2,375,293	\$2,094,389	2,543,988	2,388,599	2,818,993	2,607,931	\$2,867,454	\$2,853,002

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 2 - Labor Projection**  
Fiscal Year 2024 (7/01/22-6/30/23)

TITLES	SALARY	FRINGE BENEFITS	OVERTIME	CLOTHING ALLOWANCE	SHIFT DIFFERENTIAL	TOTAL	ALLOCATION	ALLOCATION	AMOUNT WTP/TS	AMOUNT WTP/TS	
							RESERVOIR %	RESERVOIR %			
Director	147,400	98,710	-			246,110	50%		123,054	50%	123,056
Project Engineer II	102,500	68,641	-			171,141	70%		119,798	30%	51,343
Water Supply Tech.	69,800	47,111	-	550		117,461	62%		72,825	38%	44,636
Administrative Assistant	73,000	48,886	-			121,886	40%		48,753	60%	73,133
Supervisor Technical Facilities Maint	91,900	63,957	3,055	550		159,462	47%		74,910	53%	84,597
Sr. Water Supply Tech.	80,000	54,252	463	550		135,265	35%		47,380	65%	87,922
Maintenance Worker I	49,900	33,785	-	550		84,235	93%		78,338	7%	5,897
Supervisor Operations	103,200	69,110	-			172,310	25%		43,077	75%	129,234
Equipment Operator	52,300	35,392	-	550		88,242	94%		82,947	6%	5,296
Foreman Bldg & Grounds Maint	80,000	54,252	463	550		135,265	80%		108,241	20%	27,061
Foreman Facilities Maintenance	78,400	55,845	4,441	550		139,236	40%		55,717	60%	83,478
Facilities Mechanic (3 Positions)	183,300	126,023	3,236	1,650		314,209	40%		125,688	60%	188,485
Supervisor Plant Operator	64,000	46,173	4,398	550		115,121	37%		42,566	63%	72,556
Maintenance Worker I Operations	41,700	28,109	-	275		70,084	92%		64,477	8%	5,608
Reservoir Sys Oper./Asst RSO (5 Positions)	245,600	188,691	31,516	2,750	1,900	470,457	90%		423,446	10%	46,995
Plant Operator (6 Positions)	391,300	299,362	52,428	3,300		746,390	1%		7,439	99%	738,924
TOTAL: (rounded)	1,854,300	1,318,300	100,000	12,375	1,900	3,286,875			1,518,655		1,768,221

TOTAL = 27 Positions



NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 3 - Reservoir System Operations and Maintenance Direct Expense Budget**  
Proposed F/Y 2024, Adopted F/Y 2023, and Actual F/Y 2019-2022

Cost Center: Reservoir Direct  
(40)

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

CODE	ACCOUNT	FY '19 ACTUAL	FY '20 ACTUAL	FY '21 ACTUAL	FY '22 ACTUAL	FY '23 ADOPTED	FY '24 PROPOSED
5110	Regular Salaries & Wages						
5120	Overtime-Salaries & Wages						
5130	New positions-Salaries & Wages						
5140	Seasonal Help-Salaries & Wages						
5150	Fringe Benefits						
5160	Retiree Health Benefits						
	Total Salary, Wages & Fringe						
5200	Residences						
5210	Heating Fuel		399	805	0	800	1,600
5220	Utilities -Electrical Service	74,899	70,058	76,270	80,402	85,000	86,725
5230	-Gas Service	6,451	6,415	7,664	10,528	9,800	11,700
5240	-Propane						
5250	Electricity for Pumping Station	171,380	206,599	239,940	250,569	305,000	305,000
5260	Fuel - Vehicular						
5270	Oil & Grease						
5280	Tires						
5290	Maintenance Supplies	5,615	9,671	9,198	13,306	10,000	14,700
5300	Maint. Supplies - Vehicular						
5310	Major Vehicle Service & Repair						
5320	Agricultural Supplies						
5330	Maintenance Equipment	55,396	42,721	40,500	41,535	51,500	51,500
5340	Serv. & Maintenance Contracts	56,735	39,953	5,742	27,789	46,650	46,650
5350	Equipment Rental	2,340	11,105	8,970	2,514	10,000	10,000
5360	Household - Safety Supplies	766	2,518	3,373	2,441	1,000	1,000
5370	Uniforms						
5380	Special & Professional Services	72,226	68,971	80,245	119,466	138,686	112,850
5390	Protective Services	242,258	259,993	292,378	319,005	342,869	381,416
5400	Telephone	8,157	9,285	10,244	12,270	9,008	9,008
5410	Postage & Freight Out						
5420	Data Processing						
5430	Printing & Office Supplies	966	714	566	1,232	1,500	2,000
5440	Scientific & Photographic	751	2,524	781	3,028	5,500	5,500
5450	Dues & Subscriptions						
5460	Advertising & Promotional			704	442	2,000	2,000
5470	Travel & Subsistence				59		
5480	Staff Training & Tuition Aid			255			
5490	Fees & Permits	31,510	31,680	31,840	33,260	38,000	38,000
5500	In - Lieu Taxes	36,896	36,756	36,756	36,756	38,300	38,300
5510	Sediment Removal		59,961		60,932	62,000	62,000
5520	Chemicals						
5525	Carbon Filter Replacement						
	Total Other Expenses	\$766,347	\$859,321	\$846,229	\$1,015,532	\$1,157,613	\$1,179,949
	Total Operating Expenses	\$766,347	\$859,321	\$846,229	\$1,015,532	\$1,157,613	\$1,179,949
	<b>ANNUAL BUDGET</b>	<b>\$1,019,652</b>	<b>\$1,008,584</b>	<b>\$1,005,936</b>	<b>\$1,116,400</b>	<b>\$1,157,613</b>	<b>\$1,179,949</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

Proposed F/Y 2024, Adopted F/Y 2023, and Actual F/Y 2019-2022

Cost Center: Treat/Trans Direct  
(50)

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

CODE	ACCOUNT	FY '19 ACTUAL	FY '20 ACTUAL	FY '21 ACTUAL	FY '22 ACTUAL	FY '23 ADOPTED	FY '24 PROPOSED
5110	Regular Salaries & Wages						
5120	Overtime-Salaries & Wages						
5130	New positions-Salaries & Wages						
5140	Seasonal Help-Salaries & Wages						
5150	Fringe Benefits						
5160	Retiree Health Benefits						
	Total Salary, Wages & Fringe						
5200	Residences						
5210	Heating Fuel	0	2,043	6,691	3,868	6,000	9,000
5220	Utilities -Electrical Service	251,242	255,320	260,159	301,059	292,500	306,800
5230	-Gas Service	26,630	24,720	24,304	37,514	35,000	38,000
5240	-Propane						
5250	Electricity for Pumping Station						
5260	Fuel - Vehicular						
5270	Oil & Grease	1,220	1,317	0	0	3,000	3,000
5280	Tires						
5290	Maintenance Supplies	6,603	6,983	10,506	8,054	7,100	7,100
5300	Maint. Supplies - Vehicular						
5310	Major Vehicle Service & Repair						
5320	Agricultural Supplies				723		
5330	Maintenance Equipment	91,668	32,057	49,941	100,640	80,000	105,500
5340	Serv. & Maintenance Contracts	26,485	35,593	18,958	43,963	45,000	57,938
5350	Equipment Rental	5,542	763	1,417	1,409	3,200	3,200
5360	Household - Safety Supplies	688	1,260	3,925	1,948	2,000	2,000
5370	Uniforms						
5380	Special & Professional Services	28,904	23,710	28,170	22,713	34,800	34,800
5390	Protective Services	80,035	80,832	93,722	108,664	114,339	125,042
5400	Telephone	516	539	511	505	1,200	1,200
5410	Postage & Freight Out	1,652		103		300	300
5420	Data Processing						
5430	Printing & Office Supplies	8,266	2,343	4,964	3,973	9,800	9,800
5440	Scientific & Photographic	11,998	10,663	9,491	13,741	13,800	15,000
5450	Dues & Subscriptions						
5460	Advertising & Promotional	287	260	1,038	319	1,000	1,000
5470	Travel & Subsistence	59	12		70		
5480	Staff Training & Tuition Aid	1,843	0	355	621	6,700	1,320
5490	Fees & Permits	9,262	6,141	5,390	6,240	9,000	9,000
5500	In - Lieu Taxes	0	140	140	140	400	400
5510	Residual Removal	4,500	0	0	46,157	16,000	16,000
5520	Water Treatment Chemicals	134,833	132,813	143,893	123,107	150,000	166,680
5525	GAC Replacement	42,000		50,000	65,962	60,000	65,000
5528	Reimb of O&M Capital Expenditures	12,546	1,138	9,279	5,544		
	Total Other Expenses	\$746,777	\$618,647	\$722,957	\$896,933	\$891,139	\$978,080
	Total Operating Expenses	\$746,777	\$618,647	\$722,957	\$896,933	\$891,139	\$978,080
	ANNUAL BUDGET	\$929,660	\$855,400	\$864,000	\$909,916	\$891,139	\$978,080

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

**Direct Expense Budget**

Proposed F/Y 2024, Adopted F/Y 2023, and Actual F/Y 2019-2022

Cost Center: G & A  
(60)

MANASQUAN WATER SUPPLY SYSTEM  
GENERAL & ADMINISTRATIVE  
EXPENSE BUDGET

CODE	ACCOUNT	FY '19 ACTUAL	FY '20 ACTUAL	FY '21 ACTUAL	FY '22 ACTUAL	FY '23 ADOPTED	FY '24 PROPOSED
5110	Regular Salaries & Wages	\$1,747,505	\$1,744,737	\$1,699,456	\$1,715,778	\$1,904,950	\$1,868,575
5120	Overtime-Salaries & Wages	80,779	71,499	64,694	85,409	112,800	100,000
5130	New positions-Salaries & Wages						
5140	Seasonal Help-Salaries & Wages						
5150	Fringe Benefits	996,747	554,954	250,181	879,808	907,700	1,094,500
5160	Retiree Health Benefits	(149,260)	(184,085)	(106,171)	174,262	213,600	218,800
5168	Workers Comp. (Self-Insured)	1,453	701	0	823	5,000	5,000
	Total Salary, Wages & Fringe	\$2,677,224	\$2,187,807	\$1,908,160	\$2,856,080	\$3,144,050	\$3,286,875
	Budget - salary and fringe						
5200	Residences						
5210	Heating Fuel						
5220	Utilities -Electrical Service						
5230	-Gas Service						
5240	-Propane						
5250	Electricity for Pumping Station						
5260	Fuel - Vehicular	22,463	13,896	15,990	29,005	22,750	46,800
5270	Oil & Grease	6,797	3,628	1,596	8,207	5,700	8,300
5280	Tires	5,740	8,905	3,233	4,962	7,000	12,000
5290	Maintenance Supplies	8,457	7,890	10,186	12,697	15,000	15,000
5300	Maint. Supplies - Vehicular	8,656	9,703	16,194	9,124	20,000	20,000
5310	Major Vehicle Service & Repair	22,121	18,290	45,738	20,267	52,000	52,000
5320	Agricultural Supplies	5,219	1,787	6,161	3,999	9,100	9,100
5330	Maintenance Equipment	5,574	2,734	3,641	5,383	12,000	12,000
5340	Serv. & Maintenance Contracts	11,723	18,620	16,414	25,296	25,852	25,852
5350	Equipment Rental	2,307	2,411	2,365	2,550	4,300	4,300
5360	Household - Safety Supplies	5,655	11,830	9,399	12,394	7,500	13,700
5370	Uniforms						
5380	Special & Professional Services	7,469	7,395	8,361	7,138	7,700	12,900
5390	Protective Services						
5400	Telephone	6,008	5,714	6,152	6,116	7,000	7,200
5410	Postage & Freight Out	1,166	1,078	685	1,435	1,200	1,200
5420	Data Processing	3,558	2,427	2,575	3,099	5,000	5,000
5430	Printing & Office Supplies	3,659	2,528	2,380	4,717	5,800	7,400
5440	Scientific & Photographic	0	0	0	0	300	300
5450	Dues & Subscriptions	1,215	1,197	504	302	3,000	3,000
5460	Advertising & Promotional	1,214	459	74	697	2,000	2,000
5470	Travel & Subsistence	306	470	336	152	1,000	1,000
5480	Staff Training & Tuition Aid	4,251	2,512	3,559	4,260	12,400	10,000
5490	Fees & Permits	5,211	3,265	3,089	2,241	7,700	6,500
5500	In - Lieu Taxes						
5510	Residual Removal						
5520	Water Treatment Chemicals						
5525	GAC Replacement						
	Total Other Expenses	\$138,769	\$126,739	\$158,632	\$164,042	\$234,302	\$275,552
	Total Operating Expenses	\$2,815,993	\$2,314,546	\$2,066,792	\$3,020,122	\$3,378,352	\$3,562,427
	Budget- other expenses						
	TOTAL ANNUAL BUDGET						
	Reservoir System	\$71,761	\$65,013	\$96,524	\$96,876	\$140,864	\$168,851
	Treatment/Transmission System	\$67,008	\$61,726	\$62,108	\$67,166	\$93,438	\$106,701
		\$138,769	\$126,739	\$158,632	\$164,042	\$234,302	\$275,552

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

**For Reservoir (40)**

Fiscal Year 2024

		<u>Adopted F/Y23</u>	<u>Proposed F/Y24</u>
1	HVAC/Dehumidifier Service	\$ 500	\$ 500
2	Instrumentation & Control System Service/Upgrade	3,000	3,000
3	Electrical Upgrade & Repair	14,000	14,000
4	Overhead Crane Service & Inspection	3,000	3,000
5	Fire & Intrusion Alarm Service	1,500	1,500
6	Potable Well/Septic Service	1,500	1,500
7	Fertilization-Dam Dike	3,750	3,750
8	Underground Fuel Tank Testing & Repair	2,000	2,000
9	Roadway Crack Sealing	3,000	3,000
10	Wood Debris Removal	2,500	2,500
11	Access Roadway Repairs	2,500	2,500
12	Roofing System Maintenance & Repair	4,000	4,000
13	Reservoir Transmission Line Clearing	3,000	3,000
14	Fios Fiber Optic for Security Cameras	2,400	2,400
	<b>Total Service &amp; Maintenance Contracts</b>	<b><u>\$ 46,650</u></b>	<b><u>\$ 46,650</u></b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

**For WTP/TS (50)**

Fiscal Year 2024

		Adopted F/Y23	Proposed F/Y24
1	HVAC Service	\$ 1,500	\$ -
2	Electrical Service Contract	1,000	2,400
3	Instrumentation & Control System Service & Upgrade	8,000	8,000
4	Electrical Upgrade & Repair	4,000	4,000
5	Overhead Crane Service	2,500	2,500
6	Building Cleaning Service and Supplies	-	3,600
7	UST Monitors Service and Upgrade	1,652	-
8	Fire & Intrusion Alarm Service	3,100	3,100
9	Air Compressor Service	500	500
10	Boiler Service	1,008	1,200
11	Auxiliary Generator Service	3,000	3,000
12	Lab Equipment Service	2,500	2,500
13	Backflow Preventor Service	500	500
14	UPS Battery PM Service and Batteries	3,340	6,000
15	Four Year Electrical Switchgear Testing Service	7,000	10,438
16	Internet Service	5,400	10,200
	Total Service & Maintenance Contracts	\$ 45,000	\$ 57,938

NEW JERSEY WATER SUPPLY AUTHORITY  
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

**For G & A (60)**  
 Fiscal Year 2024

		Adopted F/Y23	Proposed F/Y24
1	Refuse & Waste Disposal	\$ 2,000	\$ 2,000
2	Office Equipment/Computers	1,800	1,800
3	Waste Oil Disposal	300	300
4	Fire Extinguisher Service	1,100	1,100
5	UST Monitor Service	1,752	1,752
6	Building Maintenance	6,000	6,000
7	Internet Service	2,000	2,000
8	Janitorial Service	8,000	8,000
9	Vehicle Lift Inspection	500	500
12	Underground Fuel Storage Tank Service	2,400	2,400
	Total Service & Maintenance Contracts	\$ 25,852	\$ 25,852

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

**Reservoir (40)**

Fiscal Year 2024

		Adopted F/Y23	Proposed F/Y24
		<u>          </u>	<u>          </u>
1	Laboratory Services - Water Quality Sampling	\$ 10,000	\$ 10,000
3	Services-USGS Cooperative Agreement	34,000	34,000
4	Annual Trustee Fund	9,500	9,500
5	Dam Management-Surveying	2,500	2,500
6	Wetland Monitoring Management	8,000	8,000
7	Hydrilla Treatment and Water Quality Study	25,000	15,000
8	Lake Management Consultants	10,000	-
9	Engineering Services	4,000	4,000
10	Financial Advisory Services	4,850	4,850
11	USGS Gaging Station Squankum	30,836	25,000
		<u>          </u>	<u>          </u>
	Total Special & Professional Services	<u>\$ 138,686</u>	<u>\$ 112,850</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

**For WTP/TS (50)**

Fiscal Year 2024

		<u>Adopted F/Y23</u>	<u>Proposed F/Y24</u>
1	Water Quality Sampling	\$ 17,200	\$ 17,200
2	Residual Quality Analysis	800	800
3	Consultant Services	4,000	4,000
4	USGA Allenwood Gage-Parameters	11,000	11,000
5	Underground Markout Service	<u>1,800</u>	<u>1,800</u>
	Total Special & Professional Services	<u><u>\$ 34,800</u></u>	<u><u>\$ 34,800</u></u>



NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

**For G & A (60)**  
Fiscal Year 2024

		<u>Adopted F/Y23</u>	<u>Proposed F/Y24</u>
1	Pulmonary Testing	\$ 1,500	\$ 1,500
2	CDL Medical Testing	1,000	1,000
3	EAS Service	4,000	4,000
4	The Bank of NJ - Melon	-	5,200
5	Pre-Employment Physicals	<u>1,200</u>	<u>1,200</u>
	Total Special & Professional Services	<u><u>\$ 7,700</u></u>	<u><u>\$ 12,900</u></u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 12 - Projected FY 2024 New Jersey Water Supply Authority Insurance Program**

<u>Policy</u>	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Manasquan Water Treatment Plant and Transmission System</u>	<u>Total Premium</u>
<b>Property</b> Limit \$150 million, Limit \$25m BI  Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood Earthen Dam:Builders Risk	\$680,659	\$297,032	\$87,346	\$1,065,037
<b>General/Products Liability</b> Limit \$1 million Deduct: \$150k	\$159,096	\$14,874	\$3,088	\$177,058
<b>Environmental Impairment Liability</b> Limit \$10 million Deduct: \$100k	\$26,125	\$2,443	\$507	\$29,075
<b>Workers' Compensation</b> Limit \$1 million	\$121,925	\$17,972	\$19,469	\$159,366
<b>Employer Liability</b> Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
<b>Umbrella Liability</b> Limit \$23 million	\$402,471	\$37,628	\$7,813	\$447,912
<b>Business Automobile</b> Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$35,064	\$4,709	\$1,571	\$41,344
<b>Management Liability</b> Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k	\$46,856 \$24,686 \$71,542	\$4,380 \$2,308 \$6,688	\$910 \$478 \$3,844 \$5,232	\$52,146 \$27,472 \$3,844 \$83,462
<b>Travel Accident</b> Limit \$2 million	\$742	\$69	\$14	\$825
<b>Drone Coverage</b>	\$1,188			\$1,188
<b>UST</b>	\$4,858			\$4,858
<b>TOTAL:</b>	\$1,503,670	\$381,415	\$125,040	\$2,010,125

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

Fiscal Year 2024 (7/1/23-6/30/24)

	<b>Total Headquarters Charge</b>	<b>Manasquan Reservoir System</b>	<b>Manasquan WTP/TS</b>
Budgeted-Appendix I, amount to be charged to Manasquan System for FY24 (7/1/23-6/30/24)	\$810,833	\$699,506	\$111,327
F/Y22 Adjustment as per audited Expenditures:			
Budgeted as per rate schedule for F/Y22 (7/1/21-6/30/22). Amounts paid during F/Y21 to Raritan Basin System.	\$675,000	\$583,000	\$92,000
Actual allocation based upon audited expenditures F/Y22 (7/1/21-6/30/22) - Appendix II	<u>\$757,050</u>	<u>\$653,089</u>	<u>\$103,961</u>
Adjustments F/Y22	<u>\$82,050</u>	<u>\$70,089</u>	<u>\$11,961</u>
Net Allocation for F/Y2024 Budget	<u>\$892,883</u>	<u>\$769,595</u>	<u>\$123,288</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 14 - Proposed Capital Equipment Budget**  
Fiscal Year 2024

Description	(A)Addition (R)Replacement	Year of Purchase Vehicle/Equipment	Dollar Value	%	Manasquan Reservoir	Manasquan WTP/TS	Reservoir	WTP/TS
							Depreciation Reserve	Depreciation Reserve
Ford Escape or equivalent	R (556)		35,000	50/50	17,500	17,500	15,225	801
Skid steer Forestry Disc Mulcher Attachment	A		25,000	91/9	22,750	2,250		
Ford 250 Pickup	R(530)		65,000	45/55	29,250	35,750	29,499	1,553
ZTR MOWER Toro Ground master 328 D	R(471)		25,000	84/16	21,000	4,000	13,803	
TOTAL			150,000		90,500	59,500	58,527	2,354

*Per Resolution #861, dated 7/12/93 Asset Definition minimum is \$1,000.	0
Less Amount charged to Reservoir Depreciation Reserve	58,527
Less Amount charged to WTP/TS Depreciation Reserve	2,354

Total                      31,973              57,146

Additional Depreciation Reserve    0

Estimate                      \$32,000              \$57,146

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 15 - July, 2021 – June, 2022 Fiscal Year 2022 G&A Expenses Split**

EMPLOYEE NAME	TOTAL	BUDGETED %		ACTUAL % (Timesheets)		VARIANCE UNDER (OVER)		
		(40)	(50)	(40)	(50)	(40)	(50)	
		RESERVOIR	WTP/TS	RESERVOIR	WTP/TS	RESERVOIR	WTP/TS	
			0%	100%	0%	100%		
PLANT OPERATOR								
TIME SPLIT								
REGULAR	72,478.80	0.00	72,478.80	0.00	72,478.80	0.00	0.00	
CLOTH.	550.00	0.00	550.00	0.00	550.00	0.00	0.00	
O.T.	6,879.07	0.00	6,879.07	0.00	6,879.07	0.00	0.00	
FRINGE	46,897.46	0.00	46,897.46	0.00	46,897.46	0.00	(0.00)	
			4%	96%	4%	96%		
PLANT OPERATOR								
TIME SPLIT								
REGULAR	56,713.12	2,268.52	54,444.60	2,268.52	54,444.60	0.00	(0.00)	
CLOTH.	550.00	22.00	528.00	22.00	528.00	0.00	0.00	
O.T.	5,478.95	219.16	5,259.79	219.16	5,259.79	(0.00)	0.00	
FRINGE	36,216.90	1,448.68	34,768.22	1,448.68	34,768.22	(0.00)	0.00	
			0%	100%	0%	100%		
PLANT OPERATOR								
TIME SPLIT								
REGULAR	68,356.40	0.00	68,356.40	-	68,356.40	0.00	0.00	
CLOTH.	550.00	0.00	550.00	-	550.00	0.00	0.00	
O.T.	10,246.48	0.00	10,246.48	-	10,246.48	0.00	0.00	
FRINGE	46,285.97	0.00	46,285.97	-	46,285.97	0.00	0.00	
			48%	52%	45%	55%		
FAC. MECHANIC - WSA								
TIME SPLIT								
REGULAR	68,567.14	32,912.22	35,654.92	30,855.21	37,711.93	2,057.01	(2,057.01)	
CLOTH.	550.00	264.00	286.00	247.50	302.50	16.50	(16.50)	
O.T.	793.97	381.11	412.86	357.29	436.68	23.82	(23.82)	
FRINGE	41,074.09	19,715.55	21,358.54	18,483.34	22,590.75	1,232.21	(1,232.21)	
			97%	3%	100%	0%		
SYSTEM OPERATOR								
TIME SPLIT								
REGULAR	47,545.28	46,118.92	1,426.36	47,545.28	0.00	(1,426.36)	1,426.36	
CLOTH.	550.00	533.50	16.50	550.00	0.00	(16.50)	16.50	
O.T.	10,804.02	10,479.90	324.12	10,804.02	0.00	(324.12)	324.12	
FRINGE	34,494.88	33,460.04	1,034.84	34,494.88	0.00	(1,034.84)	1,034.84	
			51%	49%	45%	55%		
PROJECT ENGINEER 11								
TIME SPLIT								
REGULAR	82,917.88	42,288.13	40,629.75	37,313.05	45,604.83	4,975.08	(4,975.08)	
CLOTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
O.T.	-	-	-	0.00	0.00	0.00	0.00	
FRINGE	48,102.14	24,532.08	23,570.06	21,645.96	26,456.18	2,886.12	(2,886.12)	
			48%	52%	99%	1%		
FAC. MECHANIC - WSA								
TIME SPLIT								
REGULAR	60,933.46	29,248.06	31,685.40	60,324.13	609.33	(31,076.07)	31,076.07	
CLOTH.	550.00	264.00	286.00	544.50	5.50	(280.50)	280.50	
O.T.	832.28	399.49	432.79	823.96	8.32	(424.47)	424.47	
FRINGE	37,126.93	17,820.92	19,306.01	36,755.66	371.27	(18,934.74)	18,934.74	
			94%	6%	88%	12%		
FOREMAN BUILDING & GROUNDS MAINT - WSA								
TIME SPLIT								
REGULAR	77,256.64	72,621.25	4,635.39	67,985.84	9,270.80	4,635.41	(4,635.41)	
CLOTH.	550.00	517.00	33.00	484.00	66.00	33.00	(33.00)	
O.T.	1,404.11	1,319.86	84.25	1,235.62	168.49	84.24	(84.24)	
FRINGE	46,675.68	43,875.14	2,800.54	41,074.60	5,601.08	2,800.54	(2,800.54)	
			97%	3%	91%	9%		
ASST. RESERVOIR SYS OPERATOR								
TIME SPLIT								
REGULAR	35,467.61	34,403.57	1,064.04	32,275.53	3,192.08	2,128.04	(2,128.04)	
CLOTH.	275.00	266.75	8.25	250.25	24.75	16.50	(16.50)	
O.T.	2,918.21	2,830.66	87.55	2,655.57	262.64	175.09	(175.09)	
FRINGE	22,250.57	21,583.05	667.52	20,248.01	2,002.56	1,335.04	(1,335.04)	

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 15 (Continued) July, 2021 – June, 2022 Fiscal Year 2022 G&A Expenses Split**

EMPLOYEE NAME	TOTAL	BUDGETED %		ACTUAL % (Timesheets)		VARIANCE UNDER (OVER)		
		(40)	(50)	(40)	(50)	(40)	(50)	
		RESERVOIR	WTP/TS	RESERVOIR	WTP/TS	RESERVOIR	WTP/TS	
			47%	53%	45%	55%		
FOREMAN FACILITIES MAINT.								
TIME SPLIT REGULAR	83,138.73	39,075.20	44,063.53	37,412.43	45,726.30	1,662.77	(1,662.77)	
CLOTH.	550.00	258.50	291.50	247.50	302.50	11.00	(11.00)	
O.T.	2,917.40	1,371.18	1,546.22	1,312.83	1,604.57	58.35	(58.35)	
FRINGE	49,690.08	23,354.34	26,335.74	22,360.54	27,329.54	993.80	(993.80)	
			43%	57%	48%	52%		
SR. WATER SUPPLY TECH. -WSA								
TIME SPLIT REGULAR	77,112.20	33,158.25	43,953.95	37,013.86	40,098.34	(3,855.61)	3,855.61	
CLOTH.	550.00	236.50	313.50	264.00	286.00	(27.50)	27.50	
O.T.	384.14	165.19	218.95	184.39	199.75	(19.20)	19.20	
FRINGE	45,916.05	19,743.91	26,172.14	22,039.70	23,876.35	(2,295.79)	2,295.79	
			5%	95%	5%	95%		
PLANT OPERATOR								
TIME SPLIT REGULAR	52,755.60	2,637.78	50,117.82	2,637.78	50,117.82	0.00	0.00	
CLOTH.	275.00	13.75	261.25	13.75	261.25	0.00	0.00	
O.T.	9,529.61	476.48	9,053.13	476.48	9,053.13	0.00	0.00	
FRINGE	36,678.17	1,833.93	34,844.24	1,833.91	34,844.26	0.02	(0.02)	
			93%	7%	93%	7%		
MAINT. WORKER 1								
TIME SPLIT REGULAR	48,592.88	45,191.37	3,401.51	45,191.38	3,401.50	(0.01)	0.01	
CLOTH.	550.00	511.50	38.50	511.50	38.50	0.00	0.00	
O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FRINGE	28,954.95	26,928.10	2,026.85	26,928.10	2,026.85	(0.00)	0.00	
			47%	53%	51%	49%		
SUPERVISOR TECH. ASST. & FAC. MAINT.								
TIME SPLIT REGULAR	88,586.64	41,635.73	46,950.91	45,179.19	43,407.45	(3,543.46)	3,543.46	
CLOTH.	550.00	258.50	291.50	280.50	269.50	(22.00)	22.00	
O.T.	2,528.33	1,188.32	1,340.01	1,289.45	1,238.88	(101.13)	101.13	
FRINGE	53,935.64	25,349.75	28,585.89	27,507.17	26,428.47	(2,157.42)	2,157.42	
			97%	3%	98%	2%		
ASST. RESERVOIR SYSTEM OPERATOR								
TIME SPLIT REGULAR	36,068.60	34,986.54	1,082.06	35,347.23	721.37	(360.69)	360.69	
CLOTH.	275.00	266.75	8.25	269.50	5.50	(2.75)	2.75	
O.T.	2,317.04	2,247.53	69.51	2,270.70	46.34	(23.17)	23.17	
FRINGE	23,256.73	22,559.05	697.68	22,791.59	465.14	(232.54)	232.54	
			97%	3%	99%	1%		
RESERVOIR SYS OPERATOR								
TIME SPLIT REGULAR	45,499.16	44,134.18	1,364.98	45,044.17	454.99	(909.99)	909.99	
CLOTH.	550.00	533.50	16.50	544.50	5.50	(11.00)	11.00	
O.T.	7,983.13	7,743.64	239.49	7,903.30	79.83	(159.66)	159.66	
FRINGE	31,362.93	30,422.05	940.88	31,049.30	313.63	(627.25)	627.25	
			50%	50%	36%	64%		
DIR. MWS/D&R CANAL OPERATIONS								
TIME SPLIT REGULAR	135,442.03	67,721.02	67,721.01	48,759.13	86,682.90	18,961.89	(18,961.89)	
CLOTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FRINGE	79,517.34	39,758.67	39,758.67	28,626.24	50,891.10	11,132.43	(11,132.43)	
			50%	50%	36%	64%		
ADMIN. ASSISTANT								
TIME SPLIT REGULAR	70,555.04	35,277.52	35,277.52	25,399.81	45,155.23	9,877.71	(9,877.71)	
CLOTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FRINGE	41,500.04	20,750.02	20,750.02	14,940.01	26,560.03	5,810.01	(5,810.01)	

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 15 (Continued) July, 2021 – June, 2022 Fiscal Year 2022 G&A Expenses Split**

EMPLOYEE NAME	TOTAL	BUDGETED %		ACTUAL % (Timesheets)		VARIANCE UNDER (OVER)		
		(40)	(50)	(40)	(50)	(40)	(50)	
		RESERVOIR	WTP/TS	RESERVOIR	WTP/TS	RESERVOIR	WTP/TS	
			25%	75%	25%	75%		
SUPERVISOR	TIME SPLIT							
OPERATIONS MWSS-WSA	REGULAR	84,537.16	21,134.29	63,402.87	21,134.29	63,402.87	0.00	0.00
	CLOTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	FRINGE	48,207.10	12,051.77	36,155.33	12,051.77	36,155.33	0.00	0.00
			37%	63%	36%	64%		
SUPERVISING PLANT OPERATOR	REGULAR	64,078.32	23,708.98	40,369.34	23,068.20	41,010.12	640.78	(640.78)
	CLOTH.	550.00	203.50	346.50	198.00	352.00	5.50	(5.50)
	O.T.	3,300.64	1,221.24	2,079.40	1,188.23	2,112.41	33.01	(33.01)
	FRINGE	39,756.30	14,709.84	25,046.46	14,312.27	25,444.03	397.57	(397.57)
			15%	85%	15%	85%		
PLANT OPERATOR	REGULAR	51,242.08	7,686.31	43,555.77	7,686.31	43,555.77	0.00	(0.00)
	CLOTH.	275.00	41.25	233.75	41.25	233.75	0.00	0.00
	O.T.	4,071.38	610.71	3,460.67	610.71	3,460.67	(0.00)	0.00
	FRINGE	32,390.21	4,858.53	27,531.68	4,858.53	27,531.68	0.00	(0.00)
			92%	8%	93%	7%		
MAINT WORKER I	REGULAR	48,592.88	44,705.46	3,887.42	45,191.38	3,401.50	(485.92)	485.92
	CLOTH.	550.00	506.00	44.00	511.50	38.50	(5.50)	5.50
	O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	FRINGE	28,954.95	26,638.55	2,316.40	26,928.11	2,026.84	(289.56)	289.56
			6%	94%	6%	94%		
PLANT OPERATOR	REGULAR	52,931.04	3,175.86	49,755.18	3,175.86	49,755.18	0.00	(0.00)
	CLOTH.	550.00	33.00	517.00	33.00	517.00	0.00	0.00
	O.T.	7,037.21	422.23	6,614.98	422.23	6,614.98	0.00	(0.00)
	FRINGE	35,766.18	2,145.97	33,620.21	2,145.97	33,620.21	0.00	0.00
			97%	3%	93%	7%		
ASST. RESERVOIR SYSTEM OPER-WSA	REGULAR	40,432.12	39,219.16	1,212.96	37,601.87	2,830.25	1,617.29	(1,617.29)
	CLOTH.	275.00	266.75	8.25	255.75	19.25	11.00	(11.00)
	O.T.	4,688.67	4,548.00	140.67	4,360.46	328.21	187.54	(187.54)
	FRINGE	26,406.67	25,614.47	792.20	24,558.20	1,848.47	1,056.27	(1,056.27)
			94%	6%	93%	7%		
EQUIPMENT OPERATOR	REGULAR	44,390.24	41,726.83	2,663.41	41,282.92	3,107.32	443.91	(443.91)
	CLOTH.	550.00	517.00	33.00	511.50	38.50	5.50	(5.50)
	O.T.	871.79	819.48	52.31	810.76	61.03	8.72	(8.72)
	FRINGE	27,015.67	25,394.73	1,620.94	25,124.57	1,891.10	270.16	(270.16)
			62%	38%	85%	15%		
WATER SUPPLY TECH - WSA	REGULAR	66,313.88	41,114.61	25,199.27	56,366.80	9,947.08	(15,252.19)	15,252.19
	CLOTH.	550.00	341.00	209.00	467.50	82.50	(126.50)	126.50
	O.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	FRINGE	39,145.78	24,270.39	14,875.39	33,273.91	5,871.87	(9,003.52)	9,003.52
			48%	52%	51%	49%		
FAC. MECHANIC-WSA	REGULAR	43,997.60	21,118.86	22,878.74	22,438.78	21,558.82	(1,319.92)	1,319.92
	CLOTH.	550.00	264.00	286.00	280.50	269.50	(16.50)	16.50
	O.T.	422.99	203.03	219.96	215.72	207.27	(12.69)	12.69
	FRINGE	27,313.64	13,110.54	14,203.10	13,929.96	13,383.68	(819.42)	819.42
		(60)	(40)	(50)	(40)	(50)	(40)	(50)
	REGULAR	1,704,502.53	847,268.63	857,233.90	858,498.95	846,003.58	(11,230.32)	11,230.32
	CLOTH.	11,275.00	6,118.75	5,156.25	6,528.50	4,746.50	(409.75)	409.75
	O.T.	85,409.42	36,647.21	48,762.21	37,140.88	48,268.54	(493.67)	493.67
	FRINGE	1,054,893.04	521,930.04	532,963.00	529,410.98	525,482.06	(7,480.94)	7,480.93
	GRAND TOTAL	2,856,079.99	1,411,964.63	1,444,115.36	1,431,579.31	1,424,500.68	(19,614.68)	19,614.68

NEW JERSEY WATER SUPPLY AUTHORITY  
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 16 - Estimate of Interest Income**

Fiscal Year 2024 Budget

Fund/Reserve	TD Bank Funds	
Operating	\$6,650,000	
Reserve for O & M	1,605,000	
General Reserve (Rate Stabilization Fund)	41,000	
Pumping Reserve	155,000	
Self-Insurance Reserve	218,000	
Sediment Reserve	346,000	
Estimated Total	\$9,015,000	
	\$9,015,000	x1.0% =
	Total	\$90,150
	Estimate	\$90,200

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



NEW JERSEY WATER SUPPLY AUTHORITY  
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 17 - Unanticipated Revenue**

Funds to be Appropriated into Rate Stabilization fund for Fiscal Year 2024

	Amount												
F/Y2022 Net Year-End Balance	\$ 464,950												
Excess D/S Coverage FY2024	\$ 116,000												
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%; border-bottom: 1px solid black;">Overdraft</th> <th style="width: 30%; border-bottom: 1px solid black;">Invoice No.</th> <th style="width: 20%; border-bottom: 1px solid black;">Inv. Date</th> <th style="width: 30%; border-bottom: 1px solid black;">Amount</th> </tr> </thead> <tbody> <tr> <td>NJ American</td> <td>MM-409</td> <td>Jun-22</td> <td style="text-align: right;">\$ 2,947</td> </tr> <tr> <td></td> <td>MM-390</td> <td>Jul-21</td> <td style="text-align: right;">\$ 3,286</td> </tr> </tbody> </table>	Overdraft	Invoice No.	Inv. Date	Amount	NJ American	MM-409	Jun-22	\$ 2,947		MM-390	Jul-21	\$ 3,286	
Overdraft	Invoice No.	Inv. Date	Amount										
NJ American	MM-409	Jun-22	\$ 2,947										
	MM-390	Jul-21	\$ 3,286										
Available for use in FY24	\$ 6,233												

Additional Sources

<b>Total Available</b>	<b>\$ 587,183</b>
<b>Estimate for FY24</b>	<b>\$ 587,180</b>
<b>Available for Future Years</b>	<b>\$ -</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 18 - Fund Balances as of 6/30/22**

\*\*Final\*\*

	REVENUE FUND	OPERATING ACCOUNT	OPERATING FUND	O & M RESERVE	LONG TERM INVESTMENTS O & M RESERVE	TOTAL
BALANCE 6/30/22 (Does not include Debt Service payment)	\$ 2	\$ 338,394	\$ 7,764,044	\$ 1,604,939	\$ -	\$ 9,707,379
Add: NJ-American, JCP&L expenses for June 2022			\$ 31,112			31,112
Deduct: Accrued expenses to be paid as of 6/30/22			(59,494)			(59,494)
Deduct: June 10th billing, received			(325,761)			(325,761)
Adjusted Balances 6/30/22	\$ 2	\$ 338,394	\$ 7,409,901	\$ 1,604,939	\$ -	\$ 9,353,236
INCOME						
Operating Transfer	(310,000)		310,000			-
Receipt of WTP/TS G&A expenses for the month of June 2022, estimated 7/31/22 billing			300,000			300,000
EXPENSES						
O & M Expenses - (A/P-6/30/22) includes accrued payroll thru 6/30/22			(173,617)			(173,617)
Capital items to be purchased by 6/30/22			(17,841)			(17,841)
Payment of Headquarters overhead expenses - to be paid 7/01			(135,500)			(135,500)
Contributions to Various Reserves- 7/22			(37,500)			(37,500)
ADJUSTED BALANCE AT 6/30/22	\$ (309,998)	\$ 338,394	\$ 7,655,443	\$ 1,604,939	\$ -	\$ 9,288,778
Less: O & M Reserve Balance (Goal is 3 months O & M Expenses as dictated by Bond Resolution)						(870,698)
 <b>Balance of projected funds available</b>						<b>\$ 8,418,080</b>
 Use of Available Funds						
Unanticipated revenues (overdrafts in FY22 to be available to the General Fund for FY24) NJ American Water						\$ (6,233)
Appropriate FY23 net fund balance into the General Fund (Rate Stabilization) to be used for rate stabilization						(584,130)
 <b>Balance of funds to be used for future years</b>						<b>\$ 7,827,717</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**Schedule 19 - Operations & Maintenance Expense Component and Debt Service Cost**  
**Component Sales Base**  
Projected Fiscal Year 2024

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

NEW JERSEY WATER SUPPLY AUTHORITY  
 MANASQUAN RESERVOIR WATER SUPPLY AUTHORITY

**Schedule 20 - Operations and Maintenance Rate Component (19.443mgd)**  
 Fiscal Year 2024

Funds Required for F/Y2024 Budget

Total Budget Requirements	\$	3,839,069
Miscellaneous Revenues	\$	(677,380)
Net Budget Requirement	\$	3,161,689
Less - Quarterly O&M payment on July 10, 2023 (cash received in July for water used in April, May and June of 2023 based on \$445.82/mg)	\$	(788,795)
Additional Revenue required from last three (3) Quarterly payments in F/Y2024 to cover Operations & Maintenance expenses through 6/30/24	\$	2,372,894

Computation of Operations & Maintenance Rate for Fiscal Year 2024

Required Operations & Maintenance Rate F/Y2023	$\frac{\$2,372,894}{5,322.52^*}$	=	\$ 445.82/mg
--	----------------------------------	---	--------------

\* Four (4) Quarters Sales =

	19.443 mgd x 365	=	7,096.70mg/yr
--	------------------	---	---------------

Rate Calculation for Required revenues due for payment on  
 10/10/23, 1/10/24 and 4/10/24:

Sales Base =	7,096.70 x 3/4	=	5,322.52/mg
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NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

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

Delayed Debt Service

Debt Service for Fiscal Year 2024 \$ 580,713

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

Net Debt Service Obligation \$ 580,713

Coverage Requirement = Net Debt Service  
Obligation x 20% \$ 116,143

Total to be Recovered by Rates \$ 696,855

Debt Service Rate Effective 7/01/23 \$ 696,855 = \$ 430.48mg  
365 x 4.435/mgd = 1,618.78mg 1,618.78mg

Equalization Factor 8.44  
\$ 438.92mg

NEW JERSEY WATER SUPPLY AUTHORITY  
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

**INTAKE PUMP STATION BUILDING**

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

NJEIFP Debt Service for Fiscal Year 2024	\$	176,967
Rate Equalization Adjustment		
Debt Service Rate Effective 7/01/2023	<u>\$ 176,967</u>	= \$ 24.94/mg
365 x 19.443/mgd =7,096.70mg	7,096.70mg	
Equalization Factor	(\$0.01)	
		\$ 24.93/mg

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

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**Schedule 23 - Bond Debt Service Coverage**

Fiscal Year 2024  
(7/1/23-6/30/24)

DEBT SERVICE COVERAGE	Budgeted F/Y2024
<u>Revenues</u>	
Uninterruptible Water Sales	\$ 7,357,375
Interest Income	\$ 90,200
Total Revenues	\$ 7,447,575
<u>Expenses</u>	
O&M Costs	\$ 2,867,454
Overhead Allocation	\$ 770,000
Total O&M	\$ 3,637,454
Cash Available for Debt Service - A	\$ 3,810,121
Net Debt Service Expense	\$ 580,713
Debt Service Coverage Calculation - A/B	6.56
Cash After Debt Service A-B	\$ 3,229,409

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

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

Manasquan Reservoir Project Description	Renewal & Repl. Reserve	FY23	FY24	FY25	FY26	FY27+
Dam Emergency Contingency	\$ 400,000					
Pipeline Replacement Under I-195	\$1,500,000					
Pumping Equipment Replacement	\$650,000					
Replace Control Panel at Reservoir IO Building			\$55,000			
Paving Intake Parking Lot and Administration Parking Area		\$100,000				
Rehabilitation Pump and Motors at Reservoir & Intake Pumping Stations			\$40,000	\$40,000		
Traveling Water Screen Repair #1 & #8			\$150,000			
Security System Camera and DVR replacement				\$45,000		
Replace two Underground Fuel Storage Tanks with above ground			\$230,000			
Drill 8 Piezometer Wells Manasquan Dam		\$150,000	\$60,000			
Replace Septic System			\$125,000			
Reservoir Algae Control			\$250,000	\$50,000		
Rehabilitation of T2 Transformer and Oil Change				\$40,000		
Replace Pumps (#1,2,3,5)		\$200,000		\$150,000	\$200,000	
Vapor Recovery System for Gasoline Storage Tank		\$25,000				
Replace 2 % KVA Breakers in Substation				\$45,000		
Replace Balance of Metal Roof on Admin Portion of RPS Building			\$130,000			
<b>Total*</b>	<b>\$2,550,000</b>	<b>\$475,000</b>	<b>\$1,040,000</b>	<b>\$370,000</b>	<b>\$200,000</b>	<b>\$0</b>
Renewal and Replacement Balance June 30, 2022	\$4,064,000					
Projected Balance End of Fiscal Year with annual regular deposit		\$3,709,000	\$2,789,000	\$2,539,000	\$2,459,000	\$2,459,000
*Minimum Balance Required		\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000
Revised Balance		\$1,159,000	\$239,000	-\$11,000	-\$91,000	-\$91,000
Additional Deposit Requirements		\$0	\$0	\$0	\$0	\$0



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

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

**Prepared by**

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

**MANASQUAN WATER SUPPLY SYSTEM  
RENEWAL/REPLACEMENT RESERVE & CAPITAL IMPROVEMENT PROGRAM  
Fiscal Years 2023-2027  
Updated August 2022**

## **Introduction**

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

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

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

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

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

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

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

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

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

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

application of the mortar coating.

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

The entire length of the pipeline was inspected in December of 2021. The interior concrete lining was sounded with a 57-inch piece of black iron pipe with caps welded to the ends. The lining was continuously sounded for hollow regions that may be indicative of a loss of prestress and therefore exterior pipe distress. Sounding was carried out on both sides of the pipe approximately in the 2-4 o'clock range and the 8-10 o'clock range at approximately 6 to 12-inch intervals. Other features such as spalled concrete linings were noted throughout the inspection. The Manasquan Reservoir 66-inch pipeline is in good condition. The items noted during the internal inspection were minor in nature and are not indicative of pipeline distress.

\$1,500,000 is included in the Renewal and Replacement Reserve to insert a 66" diameter steel pipe into the PCCP under Route 195 or to replace other sections of pipe as needed.

#### Replacement of Pumps or Equipment

Five (5) 600-horsepower pumps are used at the Intake Pumping Station to pump water from the Manasquan River to the pre-sedimentation pond at the Reservoir Pumping Station. Five (5) 900-horsepower pumps are used at the Reservoir Pumping Station to pump water from the pre-sedimentation pond to the Reservoir. The estimated replacement cost for each unit, including a variable frequency drive, is \$750,000. Replacement costs for the units would be dependent on the problem but would be limited to the cost of replacement.

All pumps and motors have been physically inspected, vibration-tested and pump-efficiency-tested in 2013 with retesting of some units in 2016 through 2021. The reservoir pumps typically operate only 100 hours per year and at an average speed of only 630 rpm. Therefore, wear on these units is minimal. Additionally, only two of the five river intake pumps have significant hours of use each year. However, it is appropriate to include funds in a Renewal & Replacement Reserve to rehabilitate or replace a single unit in case of an unforeseen failure or damage from lightning.

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

#### **Planned Capital Improvements - Fiscal Years 2023-2027**

##### Paving Intake Parking Lot, Reservoir Turn around, Administration Parking Area

These parking and access areas are breaking apart and need to be milled and repaved. There have

been cracks filled in these surfaces for years in the past.

#### Rehabilitation of large Motors

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

#### Security System Replacement at the Reservoir

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

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

#### Vapor Recovery System for Gasoline Storage Tank

Regulations going into effect in 2024, requiring improved vapor recovery of gasoline transferred or pumped, are necessitating the need for this project.

#### Manasquan Reservoir Algae Management System

Favorable financing and a push to better manage harmful algae blooms in the summer has resulted in this project being designed for construction in 2024. Loan Principal forgiveness is making this project financially feasible. Additionally, it will allow water stored in the lowest depths of the reservoir to be treatable into drinking water in the summer months, whereas without some type of aeration this volume of water is unusable.

#### Drill 8 Piezometer Wells Manasquan Dam

A Consultant in 2018 reported four points of failure and poor monitoring of the existing embankment monitoring system on the downstream slope of the Manasquan Dam. Eight new wells are recommended by the consultant to rectify the monitoring deficiencies that have occurred over the 30 years since the original system was installed. In 2020 it was found that eight of the 35 piezometers measuring water depth in the dam and dike embankments are no longer functioning. Given that the eight are buried, they cannot be replaced. Eight new wells are needed to be drilled at various depths to handle one piezometer each.

A Consultant's design, construction drawings and specifications for locating and installing eight

piezometer wells was completed in 2022. Included in this project was supervision of the well driller on a limited basis.

This includes proper sealing of the eight existing wells that have been abandoned.

#### Replace eight piezometers to the reservoir embankment continuous monitoring system

This project is to install and set up solar powered wireless communications from the eight replacement piezometers to the existing ADAS computer system. It will also integrate the readings of the piezometers into the ADAS, scale the inputs and add the results to the existing trends.

#### Replace two underground fuel storage tanks with above ground steel tanks

The existing underground storage tanks are over 33 years old and it is difficult to find an insurer for buried tanks of this age. The tanks and associated leak alarms should be replaced.

#### Replace Control Panel at Reservoir IO Building

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

#### Rehabilitation of T2 transformer and Oil Change

The transformer oil was replaced in one of the two 15 KVA breakers in 2020. The oil in the other transformer should be replaced in 2024

#### Replacement of Pump #1 Reservoir Pumping Station

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

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

#### Refurbish Intake Pump #2

Intake pump #2 will be in service for 35 years and will be in need of refurbishment as indicated by

the condition of pump #3 in 2021.

### Refurbish RPS Pump #3

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

### Refurbish Intake Pump #5

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

### Replace the balance of metal roof on the Administrative portion of RPS building

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

### Replace two 5 KVA breaker in substation

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

### Renovation of Traveling Water Screens

The eight traveling water screens at the Intake Pumping Station are in need of service over time. A 2015 inspection found all units to be in good condition except one, which was refurbished in 2016. In FY 2021 units #3 and #4 were rebuilt with new chains and sprocket teeth for just under \$50,000.00. Units #5 and #6 are slated for rebuild in FY 2023. It was determined that #1 and #8 will be in need of similar repairs and some additional underwater repair. Thus, funding is included to rehabilitate two more of the remaining seven units in 2024.

### Replace the entire septic system for the Administration /RPS building

The tank and field are over 30 years old which is the expected life of a septic system. Additionally, the 1000-gallon tank is too small for the number of people using the system.

**PART III – PROPOSED RULE AMENDMENTS**

NEW JERSEY WATER SUPPLY AUTHORITY

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

**To Become Effective July 1, 2023**

The following rules and regulations can be found in the New Jersey Administrative Code under N.J.A.C. 7:11-4.1, et seq. Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

7:11-4.3      Operations and Maintenance Expense Component

(a) – (b)      (No change.)

(c)      Operations and Maintenance Expense Component:

<u>Effective Date</u>	<u>Rate/Million Gallons</u> (based upon a 19.443 per day sales base)
July 1, [2022] <b>2023</b>	\$445.82

7:11-4.4      Debt Service Cost Component

(a)      (No change.)

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

effective subsequent to the system operation date.

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

<u>Period</u>	<u>Rate/Million Gallons</u>
7/1/ [2022] <b>2023</b> to	(Coverage 120%)
6/30/[2023] <b>2024</b>	\$438.92

(c) (No change.)

7:11-4.5 Capital Fund Component

(a) (No change.)

(b) (No change.)

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

<u>Period</u>	<u>Rate/Million Gallons</u>
7/1/[2022] <b>2023</b> to	\$525.00
6/30/[2023] <b>2024</b>	

(d) (No change.)



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

<u>Period</u>	<u>Rate/Million Gallons</u>
7/1/[2022]2023 to	\$200.00
6/30/[2023]2024	

7:11-4.6 Source water protection fund component

(a) (No change.)

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

<u>Period</u>	<u>Rate/Million Gallons</u>
7/1/[2022]2023 to	
6/30/[2023]2024	\$15.00

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

(a) (No change.)

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

<u>Period</u>	<u>Rate/Million Gallons</u>
7/1/[2022]2023 to	
6/30/[2023]2024	\$24.93

**Appendix I. Report of Mercadien PC – Allocation of Headquarters General and Administrative Expenses – FY 2024**

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
AGREED-UPON PROCEDURES REPORT**

FORECASTED COST ALLOCATION SCHEDULES

YEAR ENDING JUNE 30, 2024

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Commissioners of  
New Jersey Water Supply Authority

We have performed the procedures enumerated below on the financial schedules for the fiscal year ending June 30, 2024. The procedures were agreed to by the New Jersey Water Supply Authority (a component unit of the State of New Jersey and responsible party) (the "Authority") solely to assist the Authority in evaluating the financial schedules in connection with setting of water rates for each of the three operating systems (Raritan, Manasquan Reservoir and Manasquan Treatment Plant/Transmission). The Authority's management is responsible for preparing and presenting the financial schedules in accordance with the guidelines for the presentation of schedules established by the American Institute of Certified Public Accountants.

An agreed-upon procedures engagement involves the practitioner performing specific procedures and reporting on findings based on the procedures performed. The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to assist the Authority with evaluating the underlying supporting documentation to determine the accuracy of the financial schedules in connection with setting water rates for each of the three operating systems. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

1. We were provided with the fiscal year 2024 budgeted expenses for each of the three operating systems by the Authority's Director of Finance and Administration, who advised us that the fiscal year 2024 budgeted expenses are based upon preliminary budgets that are subject to approval by the Authority's Commissioners. We performed no procedures in regard to the fiscal year 2024 budgeted expenses.
2. We recalculated the allocated costs on the forecasted cost allocation schedules. We found no exceptions as a result of these procedures.
3. We compared the methodologies used for cost allocation on the forecasted cost allocation schedules to the methodologies used in the Authority's cost allocation schedules for the year ended June 30, 2022, and found them to be consistent.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review of the subject matter, the objective of which would be the expression of an opinion or conclusion, respectively, about whether the forecasted cost allocation schedules are presenting the schedules in accordance with the guidelines for the presentation of schedules established by the American Institute of Certified Public Accountants. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Commissioners and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

*Mercadion, P.C.*  
*Certified Public Accountants*

Hamilton, New Jersey

February 10, 2023

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED COST CENTER EXPENSE RECLASSIFICATION  
YEAR ENDING JUNE 30, 2024**

DEPT. #	DEPT./COST CENTER	COST CENTER COSTS	RECLASSIFICATIONS									REVISED COST CENTER COSTS
			1 HEATING/ ELECTRIC	2 VEHICULAR FUEL	3 PROFESSIONAL FEES	4 INSURANCE	5 TELEPHONE	6 PERMITS	7 WORKERS' COMPENSATION	8 IN LIEU TAXES	9 CHIEF ENGINEER SALARY & FRINGE	
	BUILDING HQ	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
	TELEPHONE HQ	-	-	-	-	40,000	-	-	-	-	-	40,000
36	SAFETY	223,690	-	-	(5,000)	-	-	-	-	-	-	218,690
37	SECURITY	1,100,550	-	-	-	-	-	-	-	-	-	1,100,550
14	HUMAN RESOURCES	483,798	-	-	(5,100)	-	-	-	(10,000)	-	-	468,698
16	PURCHASING	589,143	-	(222,000)	-	-	(40,000)	(18,000)	-	-	-	309,143
17	INFORMATION SYSTEMS	233,670	-	-	-	-	-	-	-	-	-	233,670
15	CONTRACTS & RISK MGMT.	2,019,172	-	-	(45,000)	(1,503,671)	-	(97,761)	-	(18,700)	-	354,040
13	FINANCIAL MGMT.	1,108,830	-	-	(2,730)	-	-	-	-	-	-	1,106,100
34	AUTO SHOP	288,600	-	222,000	-	-	-	18,000	-	-	-	528,600
35	AUTO SHOP-CANAL	250,760	-	-	-	-	-	-	-	-	-	250,760
10	EXEC. OFFICE	278,400	4,673	-	-	-	-	-	-	-	-	283,073
20, 30, 31-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	9,392,100	(104,673)	-	57,830	1,503,671	-	97,761	10,000	18,700	(14,074)	10,961,315
		15,968,713	-	-	-	-	-	-	-	-	(14,074)	15,954,639
40-60	MANASQUAN SYSTEM	5,720,456	-	-	-	-	-	-	-	-	14,074	5,734,530
		<u>\$ 21,689,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,689,169</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED SYSTEM-WIDE ALLOCATED COSTS  
YEAR ENDING JUNE 30, 2024**

DEPT. #	DEPT./COST CENTER	REVISED COST CENTER COSTS	ALLOCATION BASIS											ALLOCATED COST CENTER COSTS		
			# OF SQ. FT.	# OF TELEPHONES	# OF EMPLOYEES	100 % RARITAN O&M	# OF EMPLOYEES	# OF P.O.s	# OF COMPUTERS	MGD CONTRACTS	O&M BUDGET	# OF VEHICLES	# OF VEHICLES		TIME ESTIMATE	
	BUILDING HQ	\$ 100,000	<u>\$ (100,000)</u>													
	TELEPHONE HQ	40,000	-	<u>\$ (40,000)</u>												
36	SAFETY	218,690	672	435	<u>\$ (219,797)</u>											
37	SECURITY	1,100,550	3,781	1,739	17,053	<u>\$ (1,123,123)</u>										
14	HUMAN RESOURCES	468,698	4,473	1,739	5,684	-	<u>\$ (480,594)</u>									
16	PURCHASING	309,143	5,554	1,304	3,790	-	9,242	<u>\$ (329,033)</u>								
17	INFORMATION SYSTEMS	233,670	1,001	435	1,895	-	4,621	11,858	<u>\$ (253,480)</u>							
15	CONTRACTS & RISK MGMT.	354,040	3,271	870	3,790	-	9,242	9,640	8,593	<u>\$ (389,446)</u>						
13	FINANCIAL MGMT.	1,106,100	9,544	2,609	11,369	-	27,727	6,313	25,778	-	<u>\$ (1,189,440)</u>					
34	AUTO SHOP	528,600	15,031	870	3,790	-	9,242	14,332	4,296	-	35,405	<u>\$ (611,566)</u>				
35	AUTO SHOP-CANAL	250,760	-	870	1,895	-	4,621	11,602	8,593	-	16,796	-	<u>\$ (295,137)</u>			
10	EXEC. OFFICE	283,073	13,207	3,478	1,895	-	4,621	1,962	4,296	-	18,960	-	-	<u>\$ (331,492)</u>		
20, 30, 31-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	10,961,315	43,466	25,651	117,476	1,123,123	286,508	156,795	137,480	351,920	734,183	611,566	295,137	313,260	\$ 15,157,880	
40-60	MANASQUAN SYSTEM	5,734,530	-	-	51,160	-	124,770	116,531	64,444	37,526	384,096	-	-	18,232	6,531,289	
		<u>\$ 21,689,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,689,169</u>	



**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED COST ALLOCATION FACTORS  
YEAR ENDING JUNE 30, 2024**

ALLOCATION OF:		BUILDING HQ	TELEPHONES	SAFETY	HUMAN RESOURCES	PURCHASING	INFORMATION SYSTEMS	CONTRACTS & RISK MGMT.	FINANCE O&M FUNCTIONAL COST	AUTO SHOP	AUTO SHOP CANAL	EXEC. OFF
ALLOCATION BASIS:		# OF SQ. FT.	# OF TELEPHONES	# OF EMPLOYEES	# OF EMPLOYEES	# OF P.O.'S	# OF COMPUTERS	MGD CONTRACTS		# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE
DEPT. #	DEPT./COST CENTER											
	BUILDING HQ											
	TELEPHONE HQ											
36	SAFETY	100	1									
37	SECURITY	563	4	9								
14	HUMAN RESOURCES	666	4	3								
16	PURCHASING	827	3	2	2							
17	INFORMATION SYSTEMS	149	1	1	1	139						
15	CONTRACTS & RISK MGMT.	487	2	2	2	113	2					
13	FINANCIAL MGMT.	1,421	6	6	6	74	6	-				
34	AUTO SHOP	2,238	2	2	2	168	1	-	\$528,600			
35	AUTO SHOP-CANAL	-	2	1	1	136	2	-	250,760			
10	EXEC OFFICE	1,967	8	1	1	23	1	-	283,073	-	-	-
20, 30, 31-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,472	59	62	62	1,838	32	182	10,961,315	44	44	94.50
40-60	MANASQUAN SYSTEM	-	-	27	27	1,366	15	19	5,734,530	-	-	5.50
		<u>14,890</u>	<u>92</u>	<u>116</u>	<u>104</u>	<u>3,857</u>	<u>59</u>	<u>202</u>	<u>\$17,758,278</u>	<u>44</u>	<u>44</u>	<u>100.00 %</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED MANASQUAN SYSTEM ALLOCATED COSTS  
YEAR ENDING JUNE 30, 2024**

	<u>COSTS</u>	ALLOCATION BASIS					<u>ALLOCATED COSTS</u>
		<u>1</u> TIME STUDY	<u>2</u> \$ VALUE OF VEHICLES	<u>3</u> \$ VALUE OF EQUIPMENT	<u>4</u> TIME STUDY	<u>5</u> \$ VALUE OF WATER CONTRACTS	
<u>GENERAL &amp; ADMINISTRATIVE</u>							
SALARIES & FRINGES	\$ 3,286,875	<u>\$ (3,286,875)</u>					
VEHICLE RELATED	139,100	-	<u>\$ (139,100)</u>				
MAINT. SUPPLIES & RELATED	79,952	-	-	<u>\$ (79,952)</u>			
OFFICE & MISC.	56,500	-	-	-	<u>\$ (56,500)</u>		
H.Q. OVERHEAD	810,833	-	-	-	-	<u>\$ (810,833)</u>	
RESERVOIR (40)	1,179,949	1,517,626	101,946	39,712	26,087	699,506	\$ 3,564,826
TREAT./TRANS. (50)	978,080	1,769,249	37,154	40,240	30,413	111,327	2,966,463
	<u>\$ 6,531,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,531,289</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES  
YEAR ENDING JUNE 30, 2024**

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**NOTE 1      GENERAL**

The New Jersey Water Supply Authority, as part of its annual budget and rate making process, performs a two-step cost allocation calculation. During the first step, the Authority forecasts its actual expenses by Cost Center. For purposes of this calculation the Authority uses the following Cost Centers:

Raritan System

- Building Headquarters
- Telephone Headquarters
- Safety
- Security
- Human Resources
- Purchasing
- Information Systems
- Contracts & Risk Management
- Financial Management
- Auto Shop
- Auto Shop - Canal
- Executive Office
- Engineering, Watershed Management, Operations and Maintenance (Raritan System)
- Manasquan System

In deriving expenses by Cost Center several expense reclassifications are made on the Schedule of Forecasted Cost Center Expense Reclassification as follows:

1. Heating and electricity expenses related to Building Headquarters ("HQ") and Executive Office are reclassified from Engineering and Operations & Maintenance ("O & M").
2. Vehicular fuel expense related to Auto Shop is reclassified from Purchasing.
3. Professional fees related to O & M are reclassified from the various departments to which they have been charged.
4. Insurance premium expense related to the Raritan System is reclassified from Contracts and Risk Management.
5. Telephone expense is reclassified from Purchasing to a separate Telephone HQ Cost Center.
6. Permit expense related to the Raritan System is reclassified from Contracts and Risk Management and Purchasing.
7. Workers' compensation expense related to the Raritan System is reclassified from Contracts and Risk Management.
8. In-lieu taxes related to the Raritan System are reclassified from Contracts and Risk Management.
9. Chief Engineer Salary & Fringe Expenses related to the Manasquan System are reclassified from the Engineering Department.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES  
YEAR ENDING JUNE 30, 2024**

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**NOTE 1      GENERAL (CONTINUED)**

The second step entails a step-down allocation of eleven of the Authority's Cost Centers to the Raritan and Manasquan System Cost Centers. In making this step-down allocation the Authority allocates costs as follows:

1. Building HQ is allocated to each of the Cost Centers based on the amount of space utilized.
2. Telephone HQ is allocated to each of the Cost Centers based on the number of telephones utilized.
3. Safety is allocated to each of the Cost Centers based on the number of employees.
4. Security is allocated entirely to the Raritan System.
5. Human Resources is allocated to each of the Cost Centers based on the number of employees.
6. Purchasing is allocated to each of the respective Cost Centers based on the number of purchase orders issued.
7. Information Systems is allocated to each of the Cost Centers based on the number of computers.
8. Contracts and Risk Management is allocated to each of the Cost Centers based on the number of employees.
9. Financial Management is allocated based on a percentage of the four remaining Cost Centers' budgets.
10. Auto Shop and Auto Shop-Canal are allocated based on the number of vehicles used.
11. Executive Office is allocated based on the amount of executive time utilized in managing each of the Systems.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES  
YEAR ENDING JUNE 30, 2024**

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**NOTE 2      MANASQUAN SYSTEM ALLOCATED COST**

The Manasquan Water Supply System's direct and allocated costs are then allocated between the Reservoir System and the Water Treatment Plant/Transmission System. In making this allocation the Authority adds to each System's direct expenses, the indirect costs allocated as follows:

1. Salaries and Fringe Benefits are allocated based on actual time studies performed by each employee throughout Fiscal Year 2022.
2. Vehicle related expenses are allocated based on the dollar value of vehicles held by each System.
3. Maintenance Supplies and related expenses are allocated based on the dollar value of capital equipment held by each System.
4. Office and miscellaneous expenses are allocated based on the time studies performed by each employee throughout Fiscal Year 2022.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.

**Appendix II. Report of Mercadien PC – Allocation of Headquarters General and Administrative Expenses – Audited FY 2022 Expenditures**

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**EXAMINATION REPORT AND FINANCIAL SCHEDULES**

June 30, 2022

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

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## INDEPENDENT ACCOUNTANTS' REPORT

To the Commissioners of  
New Jersey Water Supply Authority

We have examined the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2 to Financial Schedules ("Notes 1 and 2"), of the New Jersey Water Supply Authority (a component unit of the State of New Jersey and responsible party) (the "Authority"), for the year ended June 30, 2022, listed in the foregoing table of contents. The Authority's management is responsible for conformity of the financial schedules in accordance with the criteria set forth in Notes 1 and 2. Our responsibility is to express an opinion on the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and, accordingly, included procedures we considered necessary in the circumstances. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the financial schedules are in conformity with the cost allocation criteria set forth in Notes 1 and 2, in all material respects. An examination involves performing procedures to obtain evidence about the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement on the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our examination agreement.

In our opinion, the financial schedules present the Authority's allocation of costs to the Raritan and Manasquan Systems in accordance with the cost allocation criteria set forth in Notes 1 and 2, in all material respects.

This report is intended for the information and use of the Commissioners and management of the Authority, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Mercadien, P.C.*  
*Certified Public Accountants*

Hamilton, New Jersey

February 10, 2023

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF COST CENTER EXPENSE RECLASSIFICATION  
YEAR ENDED JUNE 30, 2022**

DEPT. #	DEPT./COST CENTER	COST CENTER COSTS	RECLASSIFICATIONS									REVISED COST CENTER COSTS	
			1 HEATING/ ELECTRIC	2 VEHICULAR FUEL	3 PROFESSIONAL FEES	4 INSURANCE	5 TELEPHONE	6 PERMITS	7 WORKERS' COMP.	8 IN LIEU TAXES	9 CHIEF ENGINEER SALARY & FRINGE		
	BUILDING HQ	\$ -	\$ 69,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,651
	TELEPHONE HQ	-	-	-	-	-	-	48,836	-	-	-	-	48,836
36	SAFETY	250,916	-	-	-	-	-	-	-	-	-	-	250,916
37	SECURITY	1,034,734	-	-	-	-	-	-	-	-	-	-	1,034,734
14	HUMAN RESOURCES	353,235	-	-	(\$3,616)	-	-	-	-	(\$2,956)	-	-	346,663
16	PURCHASING	495,676	-	(\$156,251)	-	-	-	(48,836)	(\$18,085)	-	-	-	272,504
17	INFORMATION SYSTEMS	219,169	-	-	-	-	-	-	-	-	-	-	219,169
15	CONTRACTS & RISK MGMT.	1,806,694	-	-	(40,529)	(\$1,264,101)	-	-	(92,335)	-	(\$18,689)	-	391,040
13	FINANCIAL MGMT	977,606	-	-	(2,446)	-	-	-	-	-	-	-	975,160
34	AUTO SHOP	199,239	-	156,251	-	-	-	-	18,085	-	-	-	373,575
35	AUTO SHOP-CANAL	191,765	-	-	-	-	-	-	-	-	-	-	191,765
10	EXEC OFFICE	267,338	7,158	-	-	-	-	-	-	-	-	-	274,496
20, 30, 31, 32, 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	7,365,392	(76,809)	-	46,591	1,264,101	-	-	92,335	2,956	18,689	(13,079)	8,700,176
		13,161,764	-	-	-	-	-	-	-	-	-	(13,079)	13,148,685
40-60	MANASQUAN SYSTEM	4,921,329	-	-	-	-	-	-	-	-	-	13,079	4,934,408
		<u>\$ 18,083,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,083,093</u>

See Independent Accountants' Report.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF SYSTEM-WIDE ALLOCATED COSTS  
YEAR ENDED JUNE 30, 2022**

DEPT. #	DEPT./COST CENTER	REVISED COST CENTER COSTS	ALLOCATION BASIS											ALLOCATED COST CENTER COSTS		
			# SQ. FT.	# OF TELEPHONES	# OF EMPLOYEES	100 % RARITAN O&M	# OF EMPLOYEES	# OF P.O.s	# OF COMPUTERS	MGD CONTRACTS	O&M BUDGET	# OF VEHICLES	# OF VEHICLES		TIME ESTIMATE	
	BUILDING HQ	\$ 69,651	\$ (69,651)													
	TELEPHONE HQ	48,836	-	\$ (48,836)												
36	SAFETY	250,916	468	531	\$ (251,915)											
37	SECURITY	1,034,734	2,634	2,123	19,545	\$ (1,059,036)										
14	HUMAN RESOURCES	346,663	3,115	2,123	6,515	-	\$ (358,416)									
16	PURCHASING	272,504	3,869	1,592	4,343	-	6,893	\$ (289,201)								
17	INFORMATION SYSTEMS	219,169	697	531	2,172	-	3,446	10,422	\$ (236,437)							
15	CONTRACTS & RISK MGMT.	391,040	2,278	1,062	4,343	-	6,893	8,473	8,015	\$ (422,104)						
13	FINANCIAL MGMT	975,160	6,647	3,185	13,030	-	20,678	5,549	24,044	-	\$ (1,048,293)					
34	AUTO SHOP	373,575	10,469	1,062	4,343	-	6,893	12,597	4,007	-	27,056	\$ (440,002)				
35	AUTO SHOP-CANAL	191,765	-	1,062	2,172	-	3,446	10,197	8,015	-	13,888	-	\$ (230,545)			
10	EXEC OFFICE	274,496	9,199	4,247	2,172	-	3,446	1,725	4,007	-	19,880	-	-	\$ (319,172)		
20, 30, 31, 32, 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	8,700,176	30,275	31,318	134,645	1,059,036	213,671	137,814	128,238	381,432	630,100	440,002	230,545	301,618	\$ 12,418,870	
40-60	MANASQUAN SYSTEM	4,934,408	-	-	58,635	-	93,050	102,424	60,111	40,672	357,369	-	-	17,554	5,664,223	
		\$ 18,083,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,083,093	

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF COST ALLOCATION FACTORS  
YEAR ENDED JUNE 30, 2022**

ALLOCATION OF: ALLOCATION BASIS:		REQUIRED STATISTICS										
		BUILDING HQ	TELEPHONES	SAFETY	HUMAN RESOURCES	PURCHASING	INFORMATION SYSTEMS	RISK MGMT.	FINANCE O&M	AUTO SHOP	AUTO SHOP CANAL	EXEC. OFF
DEPT. #	DEPT./COST CENTER	SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	# OF EMPLOYEES	# OF P.O.'S	# OF COMPUTERS	MGD CONTRACTS	FUNCTIONAL COST	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE
	BUILDING HQ											
	TELEPHONE HQ											
36	SAFETY	100	1									
37	SECURITY	563	4	9								
14	HUMAN RESOURCES	666	4	3								
16	PURCHASING	827	3	2	2							
17	INFORMATION SYSTEMS	149	1	1	1	139						
15	CONTRACTS & RISK MGMT.	487	2	2	2	113	2					
13	FINANCIAL MGMT	1,421	6	6	6	74	6	-				
34	AUTO SHOP	2,238	2	2	2	168	1	-	\$373,575			
35	AUTO SHOP-CANAL	-	2	1	1	136	2	-	191,765			
10	EXEC OFFICE	1,967	8	1	1	23	1	-	274,496			
20, 30, 31, 32, 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,472	59	62	62	1,838	32	182	8,700,176	44	44	94.50
40-60	MANASQUAN SYSTEM	-	-	27	27	1,366	15	19	4,934,408	-	-	5.50
		<u>14,890</u>	<u>92</u>	<u>116</u>	<u>104</u>	<u>3,857</u>	<u>59</u>	<u>202</u>	<u>\$14,474,420</u>	<u>44</u>	<u>44</u>	<u>100 %</u>

See Independent Accountants' Report.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF MANASQUAN SYSTEM ALLOCATED COSTS  
YEAR ENDED JUNE 30, 2022**

	COSTS	ALLOCATION BASIS					ALLOCATED COSTS
		1 TIME STUDY	2 \$ VALUE OF VEHICLES	3 \$ VALUE OF EQUIPMENT	4 TIME STUDY	5 \$ VALUE OF WATER CONTRACTS	
<u>GENERAL &amp; ADMINISTRATIVE</u>							
SALARIES & FRINGES	\$ 2,844,823	\$ (2,844,823)					
VEHICLE RELATED	71,565	-	\$ (71,565)				
MAINT. SUPPLIES & RELATED	62,319	-	-	\$ (62,319)			
OFFICE & MISC.	30,157	-	-	-	\$ (30,157)		
H.Q. OVERHEAD	742,894	-	-	-	-	\$ (742,894)	
RESERVOIR	1,015,532	1,431,579	52,450	30,954	15,176	640,877	\$ 3,186,568
TREAT./TRANS.	896,933	1,413,244	19,115	31,365	14,981	102,017	2,477,655
	<u>\$ 5,664,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,664,223</u>

See Independent Accountants' Report.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES  
YEAR ENDED JUNE 30, 2022**

---

**NOTE 1 GENERAL**

The New Jersey Water Supply Authority, as part of its annual budget and rate making process, performs a two-step cost allocation calculation. During the first step, the Authority forecasts its actual expenses by Cost Center. For purposes of this calculation the Authority uses the following Cost Centers:

Raritan System

- Building Headquarters
- Telephone Headquarters
- Safety
- Security
- Human Resources
- Purchasing
- Information Systems
- Contracts & Risk Management
- Financial Management
- Auto Shop
- Auto Shop - Canal
- Executive Office
- Engineering, Watershed Management, Operations and Maintenance (Raritan System)
- Manasquan System

In deriving expenses by Cost Center several expense reclassifications are made on the Schedule of Forecasted Cost Center Expense Reclassification as follows:

1. Heating and electricity expenses related to Building Headquarters ("HQ") and Executive Office are reclassified from Engineering and Operations & Maintenance ("O & M").
2. Vehicular fuel expense related to Auto Shop is reclassified from Purchasing.
3. Professional fees related to O & M are reclassified from the various departments to which they have been charged.
4. Insurance premium expense related to the Raritan System is reclassified from Contracts and Risk Management.
5. Telephone expense is reclassified from Purchasing to a separate Telephone HQ Cost Center.
6. Permit expense related to the Raritan System is reclassified from Contracts and Risk Management and Purchasing.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES  
YEAR ENDED JUNE 30, 2022**

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**NOTE 1 GENERAL (CONTINUED)**

7. Workers' compensation expense related to the Raritan System is reclassified from Contracts and Risk Management.
8. In-lieu taxes related to the Raritan System are reclassified from Contracts and Risk Management.
9. Chief Engineer Salary & Fringe Expenses related to the Manasquan System are reclassified from the Engineering Department.

The second step entails a step-down allocation of eleven of the Authority's Cost Centers to the Raritan and Manasquan System Cost Centers. In making this step-down allocation the Authority allocates cost as follows:

1. Building HQ is allocated to each of the Cost Centers based on the amount of space utilized.
2. Telephone HQ is allocated to each of the Cost Centers based on the number of telephones utilized.
3. Safety is allocated to each of the Cost Centers based on the number of employees.
4. Security is allocated entirely to the Raritan System.
5. Human Resources is allocated to each of the Cost Centers based on the number of employees.
6. Purchasing is allocated to each of the respective Cost Centers based on the number of purchase orders issued.
7. Information Systems is allocated to each of the Cost Centers based on the number of computers.
8. Contracts and Risk Management is allocated to each of the Cost Centers based on the number of employees.
9. Financial Management is allocated based on a percentage of the four remaining Cost Centers'
10. Auto Shop and Auto Shop-Canal are allocated based on the number of vehicles used.
11. Executive Office is allocated based on the amount of executive time utilized in managing each of the Systems.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES  
YEAR ENDED JUNE 30, 2022**

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**NOTE 2 MANASQUAN SYSTEM ALLOCATED COST**

The Manasquan Water Supply System's direct and allocated costs are then allocated between the Reservoir System and the Water Treatment Plant/Transmission System. In making this allocation the Authority adds to each System's direct expenses, the indirect costs allocated as follows:

1. Salaries and Fringe Benefits are allocated based on actual time studies performed by each employee throughout Fiscal Year 2022.
2. Vehicle related expenses are allocated based on the dollar value of vehicles held by each System.
3. Maintenance Supplies and related expenses are allocated based on the dollar value of capital equipment held by each System.
4. Office and miscellaneous expenses are allocated based on the time studies performed by each employee throughout Fiscal Year 2022.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.



# Advertisement and Certification

## Exhibit C



## NEW JERSEY WATER SUPPLY AUTHORITY

P.O. BOX 5196 • CLINTON, N.J. 08809 • (908) 638-6121 • (908) 638-5961 (FAX)

### PROOFS OF PUBLICATION - CERTIFICATION

#### NEW JERSEY WATER SUPPLY AUTHORITY

#### PUBLIC HEARING

THURSDAY, FEBRUARY 2, 2023

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

TO BECOME EFFECTIVE JULY 1, 2023

THIS IS TO CERTIFY that the attached notice of public hearing in the above matter was mailed to the Secretary of State, the Division of the Ratepayer Advocate, the news media maintaining a press office at the State House Complex, the Board of Public Utilities and the Authority's Contractual Water Purchasers on December 22, 2022. Notice was also advertised in the following newspapers:

Asbury Park Press	December 22, 2022
The Star-Ledger	December 22, 2022
The Times (Trenton)	December 22, 2022

The notice of public hearing also appeared in the January 3, 2023 issue of the New Jersey Register along with the text of the proposed amendments.

---

Marc Brooks  
Executive Director  
February 2, 2023



# NEW JERSEY WATER SUPPLY AUTHORITY

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

## NEW JERSEY WATER SUPPLY AUTHORITY

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

Take notice that pursuant to the provisions of Chapter 293 of the Laws of 1981 (N.J.S.A. 58:1B-1 et. seq.) the New Jersey Water Supply Authority has proposed no revisions to its Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System in Monmouth County, New Jersey to cover Operational and Debt Service expenses for the Authority's fiscal year which commences on July 1, 2023.

The proposed rates will constitute no change in FY2024 to the existing regulations found at N.J.A.C. 7:11-4.1 et seq. as follows: no change in the sales base of 19.443 million gallons per day applied to all contract customers in the calculation of the Operations and Maintenance Component, the Source Water Protection Component, and the NJEIFP Debt Components of the rate; no change in the Operations and Maintenance Component of \$445.82 per million gallons; no change in the NJEIFP Debt Component of \$24.93 per million gallons; no change in the Source Water Protection Fund Component of \$15.00 per million gallons; and no change in the Capital Fund Component of \$525.00 per million gallons for all initial water purchase contract customers. The Capital Fund Component sales base will be 15.008 million gallons per day for all initial water purchase contract customers. There will be no change in the Debt Service Component for all delayed water purchase contracts of \$438.92 per million gallons and no change in the Capital Fund Component of \$200.00 per million gallons. There is no change in the debt service sales base of 4.435 million gallons per day applied to all delayed water purchase contract customers. The Capital Fund Component sales base for all delayed water purchase contract customers will also be 4.435 million gallons per day.

The proposal is scheduled to be published in the New Jersey Register dated January 3, 2023. A final version of the Basis and Background (B&B) document containing the full text of the proposed Rate Schedule, together with supporting information is available from the New Jersey Water Supply Authority's website at <http://www.njwsa.org> or individual requests for the full text

of the proposed rate adjustments should be sent to the New Jersey Water Supply Authority.

The Authority will conduct a Pre-public Hearing meeting with its contractual water users and any interested parties by means of Microsoft Teams online platform and teleconference service at 11:00 a.m. on Thursday, January 5, 2023 to present and explain the rate adjustment proposal, answer questions, and provide any additional data requested in accordance with the rate making procedure specified in N.J.A.C. 7:11-4.16.

Notice is hereby given that the Authority will hold a Public Hearing by means of online platform and teleconference call on Thursday, February 2, 2023 at 11:00 a.m. to provide the opportunity for public comments and statements on the proposed revisions. Interested persons may present statements orally or in writing relevant to the proposed action.

Details for joining either meeting will be available on the Authority's website at <http://www.njwsa.org>, by request to [mrollman@njwsa.org](mailto:mrollman@njwsa.org), or by calling 908-638-6121 ext. 242.

Written comments may be submitted until March 13, 2023 at which time the public record will be closed.

All comments should be addressed to:

Executive Director  
New Jersey Water Supply Authority  
1851 Highway 31  
Post Office Box 5196  
Clinton, New Jersey 08809  
[info@njwsa.org](mailto:info@njwsa.org)

NJ Advance Media  
 Woodbridge Corporate Plaza  
 ATTN: Legal Advertising Dept.  
 485 Route 1 South  
 Bldg E., Suite 300  
 Iselin, NJ 08830



# Star Ledger

NEW JERSEY WATER SUPPLY AUTHORITY  
 PO BOX 5196  
 CLINTON, NJ 88090-1960

AD#:0010530807

Sales Rep: NJ LegalRepNJ  
 Account Number:1160910  
 AD#: 0010530807

FOR QUESTIONS CONCERNING THIS AFFIDAVIT,  
 PLEASE CALL 732-902-4318 OR EMAIL legalads@njadvancemedia.com

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

Date	Position	Description	P.O. Number	Costs
12/22/2022	Notices NJ	NEW JERSEY WATER SUPPLY AUTHORITY Notice of Rate Proposal	Manasquan Rate Advertisement	
			Ad Size	
			1 x 153 L	
			Affidavit Fee - 12/22/2022	\$90.00
			Basic Ad Charge - 12/22/2022	\$179.01
			Total	\$269.01

CLAIMANTS CERTIFICATION AND DECLARATION	
<p>I do solemnly declare and certify under the penalties of law that this bill or invoice is correct in all its particulars, that the goods have been furnished or services have been rendered as stated herein, that no bonus has been given or received by any person or persons within the knowledge of this claimant in connection with the above claim, that the amount herein stated is justly due and owing, and that the amount charged is a reasonable one.</p>	
Date: <u>12/28/2022</u>	Fed ID#: <u>13-4123607</u>
Signature: <u>Chris Tighe</u>	Official Position: <u>AR Manager</u>
CERTIFICATION BY RECEIVING AGENCY	CERTIFICATION BY APPROVAL OFFICIAL
<p>I, having knowledge of the facts, certify and declare that the goods have been received or the services rendered and are in compliance with the specifications or other requirements, and said certification is based on signed delivery slips or other reasonable procedures or verifiable information.</p>	<p>I certify and declare that this bill or invoice is correct, and that sufficient funds are available to satisfy this claim. The Payment shall be chargeable to:</p>
	Appropriation Account(s) and Amounts Charged: _____ P.O.#: _____
	_____
	_____
	_____
Signature: _____	Signature: _____
Title: _____	Date: _____





State of New Jersey,) ss  
County of Middlesex)

Lisa Arrington being duly sworn, deposes that he/she is principal clerk of NJ Advance Media; that Star Ledger is a public newspaper, with general circulation in Atlantic, Burlington, Cape May, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren Counties, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

Star Ledger 12/22/2022

\_\_\_\_\_  
Principal Clerk of the Publisher

Sworn to and subscribed before me this 28th day of December 2022

\_\_\_\_\_  
Notary Public



**NEW JERSEY WATER SUPPLY  
AUTHORITY**

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

Take notice that pursuant to the provisions of Chapter 293 of the Laws of 1981 (N.J.S.A. 58:1B-1 et. seq.) the New Jersey Water Supply Authority has proposed no revisions to its Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System in Monmouth County, New Jersey to cover Operational and Debt Service expenses for the Authority’s fiscal year which commences on July 1, 2023.

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Component of \$445.82 per million gallons; no change in the NJEIFP Debt Component of \$24.93 per million gallons; no change in the Source Water Protection Fund Component of \$15.00 per million gallons; and no change in the Capital Fund Component of \$525.00 per million gallons for all initial water purchase contract customers. The Capital Fund Component sales base will be 15.008 million gallons per day for all initial water purchase contract customers. There will be no change in the Debt Service Component for all delayed water purchase contracts of \$438.92 per million gallons and no change in the Capital Fund Component of \$200.00 per million gallons. There is no change in the debt service sales base of 4.435 million gallons per day applied to all delayed water purchase contract customers. The Capital Fund Component sales base for all delayed water purchase contract customers will also be 4.435 million gallons per day.

The proposal is scheduled to be published in the New Jersey Register dated January 3, 2023. A final version of the

Basis and Background (B&B) document containing the full text of the proposed Rate Schedule, together with supporting information is available from the New Jersey Water Supply Authority’s website at <http://www.njwsa.org> or individual requests for the full text of the proposed rate adjustments should be sent to the New Jersey Water Supply Authority.

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All comments should be addressed to:

Executive Director  
New Jersey Water Supply  
Authority  
1851 Highway 31  
Post Office Box 5196  
Clinton, New Jersey 08809  
[info@njwsa.org](mailto:info@njwsa.org)  
12/22/22                    \$179.01

NJ Advance Media  
 Woodbridge Corporate Plaza  
 ATTN: Legal Advertising Dept.  
 485 Route 1 South  
 Bldg E., Suite 300  
 Iselin, NJ 08830



# Times of Trenton

NEW JERSEY WATER SUPPLY AUTHORITY  
 PO BOX 5196  
 CLINTON, NJ 88090-1960

AD#:0010530810

Sales Rep: Jeanette Kryzimalski  
 Account Number:1160910  
 AD#: 0010530810

FOR QUESTIONS CONCERNING THIS AFFIDAVIT,  
 PLEASE CALL 609-989-5659 OR EMAIL legalads@njtimes.com

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

Date	Position	Description	P.O. Number	Costs
12/22/2022	Notices NJ	NEW JERSEY WATER SUPPLY AUTHORITY Notice of Rate Proposal	Manasquan Rate Advertisement	
			Ad Size	
			3 x 71 L	
			Affidavit Fee - 12/22/2022	\$25.00
			Basic Ad Charge - 12/22/2022	\$57.51
			Total	\$82.51

CLAIMANTS CERTIFICATION AND DECLARATION	
<p>I do solemnly declare and certify under the penalties of law that this bill or invoice is correct in all its particulars, that the goods have been furnished or services have been rendered as stated herein, that no bonus has been given or received by any person or persons within the knowledge of this claimant in connection with the above claim, that the amount herein stated is justly due and owing, and that the amount charged is a reasonable one.</p>	
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Signature: <u>Chris Tighe</u>	Official Position: <u>AR Manager</u>
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<p>I, having knowledge of the facts, certify and declare that the goods have been received or the services rendered and are in compliance with the specifications or other requirements, and said certification is based on signed delivery slips or other reasonable procedures or verifiable information.</p>	<p>I certify and declare that this bill or invoice is correct, and that sufficient funds are available to satisfy this claim. The Payment shall be chargeable to:</p>
	<p>Appropriation Account(s) and Amounts Charged: _____ P.O.#: _____</p> <p>_____</p> <p>_____</p> <p>_____</p>
Signature: _____	Signature: _____
Title: _____	Date: _____

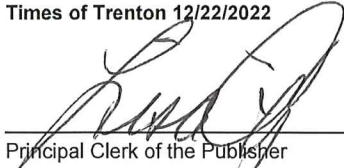


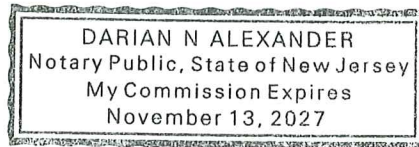


State of New Jersey,) ss  
County of Middlesex)

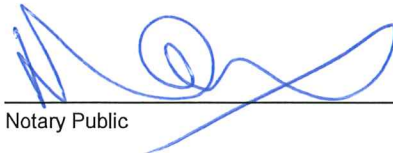
Lisa Arrington being duly sworn, deposes that he/she is principal clerk of NJ Advance Media; that Times of Trenton is a public newspaper, with general circulation in Burlington, Hunterdon, Mercer, Middlesex, Monmouth, Ocean, and Somerset Counties, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

**Times of Trenton 12/22/2022**

  
\_\_\_\_\_  
Principal Clerk of the Publisher



Sworn to and subscribed before me this 28th day of December 2022

  
\_\_\_\_\_  
Notary Public

**NEW JERSEY WATER SUPPLY AUTHORITY**

Notice of Rate Proposal – Manasquan Reservoir System  
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Written comments may be submitted until March 13, 2023 at which

**Agency:**  
 NJ WATER SUPPLY AUTHORITY  
 1851 STATE ROUTE 31  
 CLINTON, NJ 08809  
 ATTN: Isabel Valente  
Acct: ASB-027378

**Client:** NJ WATER SUPPLY AUTHORITY  
 1851 STATE ROUTE 31,  
 CLINTON, NJ 08809  
 Acct No: ASB-027378

**This is not an invoice**

Order #	Advertisement/Description	# Col x # Lines	Rate Per Line	Cost
0005527788	NEWJERSEYWATERSUPPLYAUTHORITYNOTICEOFRATEPRC SALMANASQUANRESERVOIRSYSTEMTAKENOTICETHATPUR UANTTOTHEPROVISIONSOFCAPTER293OFTHELAWSOFC	2 col x 73 lines	\$0.44	\$64.24
		Affidavit of Publication Charge	1	\$35.00
		Tearsheet Charge	0	\$0.00
		Net Total Due:		<b>\$99.24</b>

**Run Dates:** 12/22/2022

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

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

**CERTIFICATION BY RECEIVING AGENCY**  
 I, HAVING KNOWLEDGE OF THE FACTS, CERTIFY AND DECLARE THAT THE GOODS HAVE BEEN RECEIVED OR THE SERVICES RENDERED AND ARE IN COMPLIANCE WITH THE SPECIFICATIONS OR OTHER REQUIREMENTS, AND SAID CERTIFICATION IS BASED ON SIGNED DELIVERY SLIPS OR OTHER REASONABLE PROCEDURES OR VERIFIABLE INFORMATION.

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

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

**CERTIFICATION BY APPROVAL OFFICIAL**  
 I CERTIFY AND DECLARE THAT THIS BILL OR INVOICE IS CORRECT, AND THAT SUFFICIENT FUNDS ARE AVAILABLE TO SATISFY THIS CLAIM. THE PAYMENT SHALL BE CHARGEABLE TO:

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

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

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

**CLAIMANT'S CERTIFICATION AND DECLARATION:**  
 I DO SOLEMNLY DECLARE AND CERTIFY UNDER THE PENALTIES OF THE LAW THAT THIS BILL OR INVOICE IS CORRECT IN ALL ITS PARTICULARS; THAT THE GOODS HAVE BEEN FURNISHED OR SERVICES HAVE BEEN RENDERED AS STATED HEREIN; THAT NO BONUS HAS BEEN GIVEN OR RECEIVED BY ANY PERSON OR PERSONS WITHIN THE KNOWLEDGE OF THIS CLAIMANT IN CONNECTION WITH THE ABOVE CLAIM; THAT THE AMOUNT HEREIN STATED IS JUSTLY DUE AND OWING; AND THAT THE AMOUNT CHARGED IS A REASONABLE ONE.

Date: 12/22/2022

Signature: D. Roberts

Federal ID #: 061032273

Official Position: Clerk  
 DEC 20 '22 AM 9:36

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

**AFFIDAVIT OF PUBLICATION**

**Publisher's Fee \$64.24    Affidavit \$35.00**

**STATE OF WISCONSIN  
Brown County**

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

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

12/22/2022      **A.D 2022**

*Nancy Heyrman*  
Notary Public, State of Wisconsin County of Brown  
5.19.23

My commission expires

NANCY HEYRMAN  
Notary Public  
State of Wisconsin

DEC 28 '22 AM 9:36

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

Take notice that pursuant to the provisions of Chapter 293 of the Laws of 1981 (N.J.S.A. 58:1B-1 et. seq.) the New Jersey Water Supply Authority has proposed no revisions to its Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System in Monmouth County, New Jersey to cover Operational and Debt Service expenses for the Authority's fiscal year which commences on July 1, 2023.

The proposed rates will constitute no change in FY2024 to the existing regulations found at N.J.A.C. 7:11-4.1 et seq. as follows: no change in the sales base of 19,443 million gallons per day applied to all contract customers in the calculation of the Operations and Maintenance Component, the Source Water Protection Component, and the NJEIFP Debt Components of the rate; no change in the Operations and Maintenance Component of \$445.82 per million gallons; no change in the NJEIFP Debt Component of \$24.93 per million gallons; no change in the Source Water Protection Fund Component of \$15.00 per million gallons; and no change in the Capital Fund Component of \$525.00 per million gallons for all initial water purchase contract customers. The Capital Fund Component sales base will be 15,008 million gallons per day for all initial water purchase contract customers. There will be no change in the Debt Service Component for all delayed water purchase contracts of \$438.92 per million gallons and no change in the Capital Fund Component of \$200.00 per million gallons. There is no change in the debt service sales base of 4,435 million gallons per day applied to all delayed water purchase contract customers. The Capital Fund Component sales base for all delayed water purchase contract customers will also be 4,435 million gallons per day.

The proposal is scheduled to be published in the New Jersey Register dated January 3, 2023. A final version of the Basis and Background (B&B) document containing the full text of the proposed Rate Schedule, together with supporting information is available from the New Jersey Water Supply Authority's website at <http://www.njwsa.org> or individual requests for the full text of the proposed rate adjustments should be sent to the New Jersey Water Supply Authority.

The Authority will conduct a Pre-public Hearing meeting with its contractual water users and any interested parties by means of Microsoft Teams online platform and teleconference service at 11:00 a.m. on Thursday, January 5, 2023 to present and explain the rate adjustment proposal, answer questions, and provide any additional data requested in accordance with the rate making procedure specified in N.J.A.C. 7:11-4.16.

Notice is hereby given that the Authority will hold a Public Hearing by means of online platform and teleconference call on Thursday, February 2, 2023 at 11:00 a.m. to provide the opportunity for public comments and statements on the proposed revisions. Interested persons may present statements orally or in writing relevant to the proposed action.

Details for joining either meeting will be available on the Authority's website at <http://www.njwsa.org>, by request to [mrollman@njwsa.org](mailto:mrollman@njwsa.org), or by calling 908-638-6121 ext. 242.

Written comments may be submitted until March 13, 2023 at which time the public record will be closed.

All comments should be addressed to:

Executive Director  
New Jersey Water Supply Authority  
1851 Highway 31  
Post Office Box 5196  
Clinton, New Jersey 08809  
[info@njwsa.org](mailto:info@njwsa.org)  
(\$64.24)

0005527788-01

DEC 28 '22 AM 9:36

Ms. Robbin Kirk, CFO  
Borough of Spring Lake  
Fifth & Warren Avenues  
Spring Lake, NJ 07762

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

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

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

Mr. Robert Schaefer  
New Jersey American Water  
167 J.F.K. Parkway  
Short Hills, NJ 07078

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

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

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

Andrew Huisman  
Borough of Lake Como  
1740 Main Street  
Lake Como, NJ 07719

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

Mr. Oleg Kostin  
New Jersey American Water  
701 Randolph Road  
Somerset, NJ 08873

Joe Barris, Director of Planning  
Monmouth County Planning Board  
One East Main Street  
Freehold, NJ 07728

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

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

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

Mayor Collette J. Kennedy  
Borough of Keyport  
70 West Front Street  
Keyport, NJ 07735

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

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

Janine Gillis, Borough Clerk  
Borough of Spring Lake Heights  
555 Brighton Avenue  
Spring Lake Heights, NJ 07762

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

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

Mr. Brian Lipman, Director  
Division of the Rate Counsel  
140 E. Front St. 4<sup>th</sup> Fl.  
P.O. Box 003  
Trenton, NJ 08625

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

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

Michele Clark, Clerk  
Borough of Keyport  
70 West Front Street  
Keyport, NJ 07735

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

Darren McConnell, Administrator  
Borough of Red Bank  
90 Monmouth Street, Ste. 1  
Red Bank, NJ 07701

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

Mayor Kevin Orender  
Township of Wall  
2700 Allaire Road  
Wall, NJ 07719

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

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

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

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

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

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

Ms. Lindsey Olson  
310 Swimming River Road  
Colts Neck, NJ 07722

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

## Michelle Rollman

---

**From:** Michelle Rollman  
**Sent:** Thursday, December 22, 2022 4:14 PM  
**To:** Michelle Rollman  
**Subject:** NJWSA NOTICES OF RATE PROPOSALS  
**Attachments:** Notice 2024 Proposed RBS Rates.pdf; Notice FY2024 Proposed MRS Rates.pdf

Pursuant to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., administrative agencies are required to distribute notice of proposed rulemaking activities to the news media maintaining a press office at the State House Complex. In satisfaction of this requirement, the New Jersey Water Supply Authority is forwarding to you the attached two notices of rate proposals.

Please find attached the New Jersey Water Supply Authority Notice of Rate Proposal for the Raritan Basin System as well as the Notice of Rate Proposal for the Manasquan Reservoir System.

Many thanks and Happy Holidays,  
Michelle Rollman

### **Michelle Rollman**

Finance and Accounting Analyst  
New Jersey Water Supply Authority  
Clinton Administration Building  
1851 State Route 31  
P.O. Box 5196  
Clinton, NJ 08809  
P: (908) 638-6121 x242  
F: (908) 638-5241  
[mrollman@njwsa.org](mailto:mrollman@njwsa.org)

## Michelle Rollman

---

**From:** Michelle Rollman  
**Sent:** Thursday, December 22, 2022 4:14 PM  
**To:** Michelle Rollman  
**Subject:** NJWSA NOTICES OF RATE PROPOSALS  
**Attachments:** Notice 2024 Proposed RBS Rates.pdf; Notice FY2024 Proposed MRS Rates.pdf

<b>Tracking:</b>	<b>Recipient</b>	<b>Delivery</b>
	Michelle Rollman	Delivered: 12/22/2022 4:14 PM
	101.5	
	101.5 News Desk	
	1010 Wins	
	Asbury Park Press	
	Associated Press	
	Associated Press M Catalini	
	Atlantic City Press	
	Atlantic City Press wKeough	
	Capitol Wire	
	CBS 2 NY	
	Courier Post (ccomegno@camdengannett.com)	
	Daily Record	
	David Matthau	
	E&E Publishing	
	FIOS 1	
	Hunterdon County Democrat	
	KYW Radio	
	NBC	
	NBC 10 - News Desk	
	News 12	
	NJ Advance Media BJ	
	NJ Advance Media CB	
	NJ Advance Media SL	
	NJ Advance Media SR	
	NJTV	
	North Jersey	
	North Jersey RA	
	North Jersey ST	
	Star Ledger	
	Susann McGoldrick	
	The Daily Journal	
	Trenton Times	
	Trentonian	



**Recipient****Delivery**

WBGO & WHYY

Pursuant to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., administrative agencies are required to distribute notice of proposed rulemaking activities to the news media maintaining a press office at the State House Complex. In satisfaction of this requirement, the New Jersey Water Supply Authority is forwarding to you the attached two notices of rate proposals.

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Many thanks and Happy Holidays,  
Michelle Rollman

**Michelle Rollman**

Finance and Accounting Analyst  
New Jersey Water Supply Authority  
Clinton Administration Building  
1851 State Route 31  
P.O. Box 5196  
Clinton, NJ 08809  
P: (908) 638-6121 x242  
F: (908) 638-5241  
[mrollman@njwsa.org](mailto:mrollman@njwsa.org)

## Michelle Rollman

---

**From:** postmaster@ap.org  
**To:** TRE-TrentonNJBureauMailbox@ap.org  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[TRE-TrentonNJBureauMailbox@ap.org](mailto:TRE-TrentonNJBureauMailbox@ap.org)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@advancelocal.net  
**To:** news@njtimes.com  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[news@njtimes.com](mailto:news@njtimes.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@disney.com  
**To:** susann.l.mcgoldrick@abc.com  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[susann.l.mcgoldrick@abc.com](mailto:susann.l.mcgoldrick@abc.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@ap.org  
**To:** TRE-TrentonNJBureauMailbox@ap.org  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[TRE-TrentonNJBureauMailbox@ap.org](mailto:TRE-TrentonNJBureauMailbox@ap.org)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@ap.org  
**To:** mcatalini@ap.org  
**Sent:** Thursday, December 22, 2022 4:14 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[mcatalini@ap.org](mailto:mcatalini@ap.org)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@ap.org  
**To:** mcatalini@ap.org  
**Sent:** Thursday, December 22, 2022 4:14 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[mcatalini@ap.org](mailto:mcatalini@ap.org)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@townsquaremedia.com  
**To:** david.matthau@townsquaremedia.com  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[david.matthau@townsquaremedia.com](mailto:david.matthau@townsquaremedia.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS



## Michelle Rollman

---

**From:** postmaster@advancelocal.net  
**To:** bjohnson@njadvancemedia.com  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[bjohnson@njadvancemedia.com](mailto:bjohnson@njadvancemedia.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@advancelocal.net  
**To:** tmartello@njadvancemedia.com  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[tmartello@njadvancemedia.com](mailto:tmartello@njadvancemedia.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@townsquaremedia.com  
**To:** eric.scott@townsquaremedia.com  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[eric.scott@townsquaremedia.com](mailto:eric.scott@townsquaremedia.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@cvcmail.onmicrosoft.com  
**To:** news12nj@news12.com  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: External E-mail - NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[news12nj@news12.com](mailto:news12nj@news12.com)

Subject: External E-mail - NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@advancelocal.net  
**To:** slivio@njadvancemedia.com  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[slivio@njadvancemedia.com](mailto:slivio@njadvancemedia.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** postmaster@townsquaremedia.com  
**To:** newsjerz@nj1015.com  
**Sent:** Thursday, December 22, 2022 4:17 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[newsjerz@nj1015.com](mailto:newsjerz@nj1015.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** bjordan@gannettnj.com  
**Sent:** Thursday, December 22, 2022 4:20 PM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

This is the mail system at host dispatch1-us1.ppe-hosted.com.

Your message was successfully delivered to the destination(s) listed below. If the message was delivered to mailbox you will receive no further notifications. Otherwise you may still receive notifications of mail delivery errors from other systems.

The mail system

<bjordan@gannettnj.com>: delivery via  
us-smtp-inbound-2.mimecast.com[205.139.110.141]:25: 250  
SmtplibThread-11649171-1671743988966@us-mta-564.us.mimecast.lan Received OK  
[DaGgmQdoNz2arXd8hi6Z\_w.us564]

## Michelle Rollman

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** mcalpin@northjersey.com; racioppi@northjersey.com; stile@northjersey.com  
**Sent:** Thursday, December 22, 2022 4:20 PM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

This is the mail system at host dispatch1-us1.ppe-hosted.com.

Your message was successfully delivered to the destination(s) listed below. If the message was delivered to mailbox you will receive no further notifications. Otherwise you may still receive notifications of mail delivery errors from other systems.

The mail system

<mcalpin@northjersey.com>: delivery via  
us-smtp-inbound-2.mimecast.com[207.211.30.141]:25: 250  
SmtThread-996801-1671743989944@us-mta-365.us.mimecast.lan Received OK  
[dx3RGKM6MZGrkC0TzwLHQ.us365]

<racioppi@northjersey.com>: delivery via  
us-smtp-inbound-2.mimecast.com[207.211.30.141]:25: 250  
SmtThread-996801-1671743989944@us-mta-365.us.mimecast.lan Received OK  
[dx3RGKM6MZGrkC0TzwLHQ.us365]

<stile@northjersey.com>: delivery via  
us-smtp-inbound-2.mimecast.com[207.211.30.141]:25: 250  
SmtThread-996801-1671743989944@us-mta-365.us.mimecast.lan Received OK  
[dx3RGKM6MZGrkC0TzwLHQ.us365]



## Michelle Rollman

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** jalt@thedailyjournal.com  
**Sent:** Thursday, December 22, 2022 4:20 PM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

This is the mail system at host dispatch1-us1.ppe-hosted.com.

Your message was successfully delivered to the destination(s) listed below. If the message was delivered to mailbox you will receive no further notifications. Otherwise you may still receive notifications of mail delivery errors from other systems.

The mail system

<jalt@thedailyjournal.com>: delivery via  
us-smtp-inbound-1.mimecast.com[205.139.110.242]:25: 250  
SmtptThread-11611526-1671743988809@us-mta-638.us.mimecast.lan Received OK  
[vQXL8Zu8PZSETrgfmhTQ5w.us638]

## Michelle Rollman

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** info@1010winsmail.com  
**Sent:** Thursday, December 22, 2022 4:20 PM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

This is the mail system at host dispatch1-us1.ppe-hosted.com.

Your message was successfully delivered to the destination(s) listed below. If the message was delivered to mailbox you will receive no further notifications. Otherwise you may still receive notifications of mail delivery errors from other systems.

The mail system

<info@1010winsmail.com>: delivery via  
us-smtp-inbound-1.mimecast.com[205.139.110.242]:25: 250  
SmtplibThread-5668712-1671743987245@us-mta-88.us.mimecast.lan Received OK  
[FGAkXwwcMQC843s6BwW7dA.us88]

## Michelle Rollman

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** newsroom@dailyrecord.com  
**Sent:** Thursday, December 22, 2022 4:20 PM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

This is the mail system at host dispatch1-us1.ppe-hosted.com.

Your message was successfully delivered to the destination(s) listed below. If the message was delivered to mailbox you will receive no further notifications. Otherwise you may still receive notifications of mail delivery errors from other systems.

The mail system

<newsroom@dailyrecord.com>: delivery via  
us-smtp-inbound-2.mimecast.com[207.211.30.141]:25: 250  
SmtplibThread-4844589-1671743985299@us-mta-577.us.mimecast.lan Received OK  
[SvXqTm\_xPs-8Aq6S02e0xA.us577]

## Michelle Rollman

---

**From:** Racioppi, Dustin <Racioppi@northjersey.com>  
**Sent:** Thursday, December 22, 2022 4:20 PM  
**To:** Michelle Rollman  
**Subject:** Automatic reply: NJWSA NOTICES OF RATE PROPOSALS

I'm out of the office without access to email. I will return Dec. 26. If you need immediate assistance, please contact Dan Sforza at [sforza@northjersey.com](mailto:sforza@northjersey.com).

## Michelle Rollman

---

**From:** Jordan, Bob <BJordan@gannettnj.com>  
**Sent:** Thursday, December 22, 2022 4:20 PM  
**To:** Michelle Rollman  
**Subject:** Automatic reply: NJWSA NOTICES OF RATE PROPOSALS

I'm not available. Please call (732) 922-6000 for assistance. -- Bob Jordan

## Michelle Rollman

---

**From:** Brent Johnson <BJOHNSON@njadvancemedia.com>  
**To:** Michelle Rollman  
**Sent:** Thursday, December 22, 2022 4:51 PM  
**Subject:** Read: NJWSA NOTICES OF RATE PROPOSALS

Your message

To: Brent Johnson  
Subject: NJWSA NOTICES OF RATE PROPOSALS  
Sent: Thursday, December 22, 2022 4:14:05 PM (UTC-05:00) Eastern Time (US & Canada)

was read on Thursday, December 22, 2022 4:51:02 PM (UTC-05:00) Eastern Time (US & Canada).

**Michelle Rollman**

---

**From:** Mail Delivery System <mailer-daemon@ppe-hosted.com>  
**To:** newsdesk@fios1news.com  
**Sent:** Friday, December 23, 2022 4:20 PM  
**Subject:** Delivery delayed:NJWSA NOTICES OF RATE PROPOSALS

This is the PPE Hosted Dispatch mail system.

#####  
# THIS IS A WARNING ONLY. YOU DO NOT NEED TO RESEND YOUR MESSAGE. #  
#####

Your message could not be delivered for more than 24 hour(s).  
It will be retried until it is 30 day(s) old.

<newsdesk@fios1news.com>: connect to fios1news.com[3.33.139.32]:25: Connection  
timed out

## Michelle Rollman

---

**From:** News Jerz <Newsjerz@nj1015.com>  
**To:** Michelle Rollman  
**Sent:** Sunday, January 1, 2023 11:46 PM  
**Subject:** Not read: NJWSA NOTICES OF RATE PROPOSALS

Your message

To: News Jerz  
Subject: NJWSA NOTICES OF RATE PROPOSALS  
Sent: Thursday, December 22, 2022 3:14:05 PM (UTC-06:00) Central Time (US & Canada)

was deleted without being read on Sunday, January 1, 2023 10:45:06 PM (UTC-06:00) Central Time (US & Canada).



## Michelle Rollman

---

**From:** McGoldrick, Susann L. <Susann.L.McGoldrick@abc.com>  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**To:** Michelle Rollman  
**Subject:** Automatic reply: NJWSA NOTICES OF RATE PROPOSALS

I will be out of the office Thursday, December 22nd - Monday, January 2nd. If you need immediate assistance, please email our NYC assignment desk at [wabctv-newsdesk@abc.com](mailto:wabctv-newsdesk@abc.com) or call 917-260-7700.

Thanks,  
Susann  
WABC-TV

## Michelle Rollman

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**From:** postmaster@thirteen.onmicrosoft.com  
**To:** aronm@njtvonline.org  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[aronm@njtvonline.org](mailto:aronm@njtvonline.org)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

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**From:** HCD News <H@advancelocal.com>  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**To:** Michelle Rollman  
**Subject:** Automatic reply: NJWSA NOTICES OF RATE PROPOSALS

Thank you for reaching out to NJ Advance Media. Because of the volume of emails received, we cannot respond to individual emails. While NJ Advance Media makes every attempt to publish items submitted, not all can be used online and in print.

If you have an item for the community or entertainment calendar, please visit <https://www.jerseysbest.com/events/>.

If you have questions regarding delivery of the newspaper and subscriptions, please visit [https://www.nj.com/interact/page/contact\\_us\\_information\\_user\\_services\\_and\\_more\\_on\\_njcom.html](https://www.nj.com/interact/page/contact_us_information_user_services_and_more_on_njcom.html).

If you have questions regarding legal notices, please email [njlegalads@support.njadvance-media.com](mailto:njlegalads@support.njadvance-media.com).

If you are looking to publish an advertisement for a wedding, anniversary or birth, please email [placead@njadvancemedia.com](mailto:placead@njadvancemedia.com).

**Michelle Rollman**

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**From:** postmaster@advancelocal.net  
**To:** news@hcdemocrat.com  
**Sent:** Thursday, December 22, 2022 4:15 PM  
**Subject:** Delivered: NJWSA NOTICES OF RATE PROPOSALS

**Your message has been delivered to the following recipients:**

[news@hcdemocrat.com](mailto:news@hcdemocrat.com)

Subject: NJWSA NOTICES OF RATE PROPOSALS

## Michelle Rollman

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**From:** Microsoft Outlook  
**To:** Courier Post (ccomegno@camdengannett.com); KYW Radio  
**Sent:** Thursday, December 22, 2022 4:14 PM  
**Subject:** Undeliverable: NJWSA NOTICES OF RATE PROPOSALS

### Delivery has failed to these recipients or groups:

[Courier Post \(ccomegno@camdengannett.com\)](mailto:ccomegno@camdengannett.com) ([ccomegno@camdengannett.com](mailto:ccomegno@camdengannett.com))

The recipient's email address isn't correct. Please check the email address and try to resend the message. If the problem continues, contact your email admin.

[KYW Radio \(newstips@kyw1060info.com\)](mailto:newstips@kyw1060info.com)

The recipient's email address isn't correct. Please check the email address and try to resend the message. If the problem continues, contact your email admin.

### Diagnostic information for administrators:

Generating server: CO6PR09MB8264.namprd09.prod.outlook.com

ccomegno@camdengannett.com

Remote Server returned '550 5.1.2 <ccomegno@camdengannett.com>: Recipient address rejected: Domain not found'

newstips@kyw1060info.com

Remote Server returned '550 5.1.2 <newstips@kyw1060info.com>: Recipient address rejected: Domain not found'

### Original message headers:

ARC-Seal: i=1; a=rsa-sha256; s=arcselector9901; d=microsoft.com; cv=none;

b=Mjd1LVtxiBF3Z1uS2639S9L3519YK12Wtk1/FmxN/l8ru+3o3ikI/kyvLYIdjZao7NMPpxIjMqAQ9iu+lfFCB  
aSItsUPPBIXRmU/KCGj7X5+j4GyB54WGPc00vVlAb10+LkE41Rr/W8AoDMxpKJoX1blZIoJX/s3ebesLHxIQsW3mn  
GK1n8LYN77L2OcSJ24IHOur+jz6RXt71i5zdvt0VJkGzHpk7qS9FVIxUgtZ5z53B8bjtjLI9MZmY3Kw5dTmjCnI4  
vK88YGJbXg4qb6ExX2R23Vm5pJRAkMzeVjCE2bu0jaJqUuWnX9y8gBkbcOPFNfALXu9m+xGpt6lmg==

ARC-Message-Signature: i=1; a=rsa-sha256; c=relaxed/relaxed; d=microsoft.com;  
s=arcselector9901;

h=From:Date:Subject:Message-ID:Content-Type:MIME-Version:X-MS-Exchange-AntiSpam-  
MessageData-ChunkCount:X-MS-Exchange-AntiSpam-MessageData-0:X-MS-Exchange-AntiSpam-  
MessageData-1;

bh=QEetyAsBQuXdGkresEaQ+lkxyA+GzjXdCU0pG/nk4GI=;

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ARC-Authentication-Results: i=1; mx.microsoft.com 1; spf=pass

smtp.mailfrom=njwsa.org; dmarc=pass action=none header.from=njwsa.org;

## Michelle Rollman

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**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** editor@trentonian.com; briang.thompson@nbcuni.com; wcaudesk@nbcuni.com; desk@cbs2ny.com; newstips@pressofac.com; wkeough@pressofac.com  
**Sent:** Thursday, December 22, 2022 4:14 PM  
**Subject:** Relayed: NJWSA NOTICES OF RATE PROPOSALS

This is the mail system at host dispatch1-us1.ppe-hosted.com.

Your message was successfully delivered to the destination(s) listed below. If the message was delivered to mailbox you will receive no further notifications. Otherwise you may still receive notifications of mail delivery errors from other systems.

The mail system

<editor@trentonian.com>: delivery via aspmx.l.google.com[74.125.202.27]:25: 250 2.0.0 OK 1671743653 k30-20020a02661e000000b0038a6cab20a0si928301jac.56 - smtp

<briang.thompson@nbcuni.com>: delivery via mxb-00176a04.gslb.pphosted.com[67.231.149.53]:25: 250 2.0.0 3mh7b51qve-1 Message accepted for delivery

<wcaudesk@nbcuni.com>: delivery via mxb-00176a04.gslb.pphosted.com[67.231.149.53]:25: 250 2.0.0 3mh7b51qve-1 Message accepted for delivery

<desk@cbs2ny.com>: delivery via mxb-00262c01.gslb.pphosted.com[148.163.148.230]:25: 250 2.0.0 3mkh5xrw81-1 Message accepted for delivery

<newstips@pressofac.com>: delivery via mxa-00292f01.gslb.pphosted.com[148.163.158.191]:25: 250 2.0.0 3mh998a2au-1 Message accepted for delivery

<wkeough@pressofac.com>: delivery via mxa-00292f01.gslb.pphosted.com[148.163.158.191]:25: 250 2.0.0 3mh998a2au-1 Message accepted for delivery

## Michelle Rollman

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**From:** Mail Delivery System <mailer-daemon@ppe-hosted.com>  
**To:** cbaxter@njadvancemedia.com; srizzo@njadvancemedia.com; editorial@eenews.net  
**Sent:** Thursday, December 22, 2022 4:14 PM  
**Subject:** Undeliverable: NJWSA NOTICES OF RATE PROPOSALS

This is the PPE Hosted Dispatch mail system.

PPE Hosted tried to deliver your email message, but was unable to do so for reasons outside our control.

We recommend contacting the person or service responsible for looking after the recipient domain's email server directly.

The last error message we have available from the recipient's server is included right below, along with an extract of your email:

<cbaxter@njadvancemedia.com>: host  
njadvancemedia-com.mail.protection.outlook.com[104.47.55.110] said: 550  
5.4.1 Recipient address rejected: Access denied. AS(201806281)  
[MW2NAM10FT092.eop-nam10.prod.protection.outlook.com] (in reply to RCPT TO  
command)

<srizzo@njadvancemedia.com>: host  
njadvancemedia-com.mail.protection.outlook.com[104.47.55.110] said: 550  
5.4.1 Recipient address rejected: Access denied. AS(201806281) (in reply to  
RCPT TO command)

<editorial@eenews.net>: host  
eenews-net.mail.protection.outlook.com[104.47.58.138] said: 550 5.4.1  
Recipient address rejected: Access denied. AS(201806281)  
[BN8NAM11FT040.eop-nam11.prod.protection.outlook.com] (in reply to RCPT TO  
command)

## Michelle Rollman

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**From:** Catalini, Michael <MCatalini@ap.org>  
**Sent:** Thursday, December 22, 2022 4:14 PM  
**To:** Michelle Rollman  
**Subject:** Automatic reply: NJWSA NOTICES OF RATE PROPOSALS

Season's greetings and thanks for your message. I will be out of the office until Jan. 2 and will look to reply in the new year. Please reach out to [aptrenton@ap.org](mailto:aptrenton@ap.org) if you have breaking news.

The information contained in this communication is intended for the use of the designated recipients named above. If the reader of this communication is not the intended recipient, you are hereby notified that you have received this communication in error, and that any review, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify The Associated Press immediately by telephone at +1-212-621-1500 and delete this email. Thank you.



## Michelle Rollman

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**From:** postmaster@wbgo.org  
**To:** pgregory@wbgo.org  
**Sent:** Thursday, December 22, 2022 4:14 PM  
**Subject:** Undeliverable: NJWSA NOTICES OF RATE PROPOSALS



Your message to [pgregory@wbgo.org](mailto:pgregory@wbgo.org) couldn't be delivered.

[pgregory](mailto:pgregory@wbgo.org) wasn't found at [wbgo.org](http://wbgo.org).

**mrollman**

**Office 365**

**pgregory**

**Action Required**

Recipient

Unknown To address

### How to Fix It

The address may be misspelled or may not exist. Try one or more of the following:

- Send the message again following these steps: In Outlook, open this non-delivery report (NDR) and choose **Send Again** from the Report ribbon. In Outlook on the web, select this NDR, then select the link "**To send this message again, click here.**" Then delete and retype the entire recipient address. If prompted with an Auto-Complete List suggestion don't select it. After typing the complete address, click **Send**.
- Contact the recipient (by phone, for example) to check that the address exists and is correct.
- The recipient may have set up email forwarding to an incorrect address. Ask them to check that any forwarding they've set up is working correctly.
- Clear the recipient Auto-Complete List in Outlook or Outlook on the web by following the steps in this article: [Fix email delivery issues for error code 5.1.10 in Office 365](#), and then send the message again. Retype the entire recipient address before selecting **Send**.

If the problem continues, forward this message to your email admin. If you're an email admin, refer to the **More Info for Email Admins** section below.

**New Jersey Register Notice**

**Exhibit D**

**PROPOSALS**

**ENVIRONMENTAL PROTECTION**

**SUBCHAPTER 1. RULES FOR THE USE OF WATER SUPPLY AUTHORITY PROPERTY**

7:11-1.27 Recreational activities

(a)-(b) (No change.)

(c) No person shall engage in the following recreational activities on Authority lands and waters without a written permit issued by the Executive Director, or his or her designee:

1.-10. (No change.)

11. Skin diving[.];

**12. Paragliding;**

**13. Paramotoring; or**

**14. Operation of unmanned aircraft systems (recreational or commercial).**

**SUBCHAPTER 2. SCHEDULE OF RATES, CHARGES, AND DEBT SERVICE ASSESSMENTS FOR THE SALE OF WATER FROM THE RARITAN BASIN SYSTEM**

7:11-2.3 General rate schedule for operations and maintenance

(a) (No change.)

(b) General rate schedule for operations and maintenance:

<u>Period</u>	<u>Allocation</u>	<u>Rate/Million Gallons</u>
(State fiscal year unless otherwise indicated)		
State fiscal year [2023] <b>2024</b>	Million Gallons per Day (MGD)	[\$194.00] <b>\$203.00</b>

7:11-2.4 Debt service assessments

(a) (No change.)

(b) The following debt service assessment rate for the New Jersey Environmental Infrastructure Financing Program loans, based on a sales base of 182.339 million gallons per day, will be applied to all customers.

<u>Period</u>	<u>Allocation</u>	<u>Rate/Million Gallons</u>
(State fiscal year unless otherwise indicated)		
State fiscal year [2023] <b>2024</b>	Million Gallons per Day (MGD)	[\$85.00] <b>\$109.00</b>

7:11-2.5 Capital Fund Component

(a)-(b) (No change.)

(c) Capital Fund Assessment

<u>Period</u>	<u>Allocation</u>	<u>Rate/Million Gallons</u>
(State fiscal year unless otherwise indicated)		
State fiscal year [2023] <b>2024</b>	Million Gallons per Day (MGD)	\$33.00

7:11-2.6 Source Water Protection Fund Component

(a) (No change.)

(b) Source Water Protection Fund Assessment

<u>Period</u>	<u>Allocation</u>	<u>Rate/Million Gallons</u>
(State fiscal year unless otherwise indicated)		
State fiscal year [2023] <b>2024</b>	Million Gallons per Day (MGD)	[\$24.00] <b>\$20.00</b>

**(a)**

**NEW JERSEY WATER SUPPLY AUTHORITY  
Schedule of Rates, Charges, and Debt Service  
Assessments for the Sale of Water from the  
Manasquan Reservoir Water Supply System**

**Proposed Amendments: N.J.A.C. 7:11-4.3, 4.4, 4.5, 4.6, and 4.7**

Authorized By: New Jersey Water Supply Authority, Shawn M. LaTourette, Chair, and Commissioner, Department of Environmental Protection.

Authority: N.J.S.A. 58:1B-7.

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

DEP Docket Number: 10-22-12.

Proposal Number: PRN 2023-003.

In accordance with N.J.A.C. 7:11-2.14(a), the New Jersey Water Supply Authority (Authority) will hold a pre-public hearing meeting on January 5, 2023, at 11:00 A.M. and a public hearing on February 2, 2023, at 11:00 A.M. concerning this notice of proposal. Both the pre-public hearing meeting and public hearing will be conducted virtually through the Authority's video conferencing software, Microsoft Teams. Further information on accessing the pre-public hearing meeting and the public hearing will be posted on the Authority's website at <https://www.njwsa.org/public-notices.html> at least 15 days prior to the date of the meeting/hearing. Notice will also be sent to those who have subscribed to the Authority's rulemaking listserv. To subscribe, go to <https://www.njwsa.org/rate-proposals.html>.

Submit comments by March 4, 2023, electronically to the Authority at [info@njwsa.org](mailto:info@njwsa.org). The Authority encourages electronic submittal of comments. In the alternative, comments may be submitted on paper to:

Marc Brooks  
Executive Director  
New Jersey Water Supply Authority  
Attention: DEP Docket No. 10-22-12  
1851 State Highway 31  
PO Box 5196  
Clinton, NJ 08809

The Basis and Background document, which is available at the Authority's website <http://www.njwsa.org>, explains in further detail the financial justification for the proposed rate schedule. The rules can also be viewed or downloaded from the Authority's website.

The agency proposal follows:

**Summary**

As the Authority has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

The Authority is proposing to amend its Schedule of Rates, Charges, and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System (System), to cover expenses for Fiscal Year (FY) 2024. The Authority operates on a July 1 to June 30 fiscal year. The amendments to specific aspects of the rate structure proposed in this rulemaking will result in no change to the overall rate of \$1,010.75 per million gallons (MG) for initial water purchase contract customers, and no change to the overall rate of \$1,124.67 per MG for delayed water purchase contract customers. The Authority anticipates the rates will be adopted operative July 1, 2023.

The general rate schedule for operations and maintenance (O&M) covers the operation expenses of the System. This component, set forth at N.J.A.C. 7:11-4.3, and incorporated in the standby charge at N.J.A.C. 7:11-4.13, was last adjusted operative July 1, 2020 (FY 2021), when the amount was increased from \$432.87 to \$445.82 per MG. See 48 N.J.R. 19(a); 1065(a). The Authority is proposing no change to the operations and maintenance component of \$445.82 per MG for FY 2024. The O&M component sales base of 19.443 million gallons per day (MGD) will remain the same for FY 2024.

The debt service component for FY 2023 for delayed water purchase contract customers, set forth at N.J.A.C. 7:11-4.4(c), was based on a sales base of 4.435 MGD. There is no change in the delayed water purchase sales base for FY 2024. The Authority is proposing no change to the delayed water purchase contract customer debt service component set forth at N.J.A.C. 7:11-4.4(b) of \$438.92 for FY 2024. The rate component will continue to allow the Authority to meet coverage of 120 percent of debt service required by the Authority's bond resolution. This rate is charged to all water purchasers who entered into a water purchase contract for uninterrupted service commencing subsequent to the System operation date.

A capital fund rate component was established in the Manasquan System in FY 2021 for initial water purchase contract customers (\$525.00 per MG) and delayed water purchase contracts (\$200.00 per MG) to provide for long-term capital needs that will allow for the proper maintenance, rehabilitation, and/or replacement of the system facilities. There will be no change in the FY 2024 rate for initial water purchase contract customers (\$525.00 per MG), found at N.J.A.C. 7:11-4.5(c), which will be charged to all uninterrupted service contracts executed prior to July 1, 1990, and to those water purchasers entering delayed water purchase contracts who pre-paid the total delayed water purchase surcharge at the commencement of the contract, rather than paying it over the contract term. The FY 2024 rate for delayed water purchase contract customers (\$200.00 per MG, no change from FY 2022), found at N.J.A.C. 7:11-4.5(e), will be charged to all water purchasers who entered into a water purchase contract for uninterrupted service commencing subsequent to the System operation date.

The Authority established a Source Water Protection Fund Component (N.J.A.C. 7:11-4.5) of \$15.00 per MG starting July 1, 2003. The Source Water Protection Fund Component provides administrative cost assistance for watershed planning and land acquisitions within the Manasquan Basin critical to the long-term protection of water quality and quantity in the System. The rate was reduced from \$15.00 per MG to \$10.00 per MG for FY 2016. A rate of \$10.00 per MG and existing fund surplus were sufficient to cover program costs for FY 2016 and FY 2017. In FY 2018, the Authority increased the rate to \$15.00 per MG in order to cover program costs for FY 2018. To cover costs for FY 2024, the Authority proposes no change to the source water protection fund component rate of \$15.00 per MG, which can be found at N.J.A.C. 7:11-4.6(b).

The Authority proposes no change in the New Jersey Environmental Infrastructure Financing Program (NJEIFP) debt component of \$24.93 per MG, which is set forth at N.J.A.C. 7:11-4.7(b). The NJEIFP debt component was established to repay debt service to the New Jersey Environmental Infrastructure Trust for construction costs associated with the installation of a structure over the Manasquan Reservoir intake pump station. The debt service payment will remain stable in FY 2024, and the sales base will remain constant at 19.443 MGD for FY 2024.

For initial water purchase contract customers, the FY 2024 base contract O&M Rate (\$445.82), Source Water Protection Program Rate (\$15.00), NJEIFP Debt Rate (\$24.93), and Capital Fund Component (\$525.00) comprise the total base contract rate for raw water of \$1,010.75 per million gallons, and represents no change relative to FY 2023. This base contract rate is charged to all uninterrupted service contracts initially executed prior to July 1, 1990, the commencement date of Manasquan Reservoir System operations, and one delayed Water Purchase contract with Shorelands Water Company (subsequently acquired by New Jersey American) executed on July 1, 2006. In order for its customers to be assessed the base contract rate on the .028 mgd delayed contract, Shorelands Water Company prepaid the net present value of the difference between the initial water purchase contracts debt service schedule and the delayed water purchase contracts debt service schedule.

The total rate for delayed water purchase contract customers in FY 2024 is \$1,124.67 per million gallons, representing no change relative to the FY 2023 delayed water purchase rate. The O&M Component (\$445.82), the Source Water Protection Fund Component (\$15.00), the Debt Service Rate Component (\$438.92), the NJEIFP Debt Rate (\$24.93), and the Capital Fund Component (\$200.00) comprise the total rate.

#### Social Impact

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

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

#### Economic Impact

The proposed adjustment to the rate schedule will result in no change to the overall water rate for initial water purchase contract customers and no change to the overall water rate for delayed water purchase contract customers. Based upon the average household usage of 400 gallons per day, the annual average impact per household will be \$0.00 for initial water purchase contract customers and \$0.00 for delayed water purchase contract customers. The rate will continue to ensure that necessary insurance coverage is maintained for all aspects of the Authority's operations while also sustaining operations to meet and enhance the Authority's mission of managing water supply. The regulatory amendments to the Schedule of Rates and Charges are in accordance with the Authority's statutory jurisdiction over System diversions that impact safe yield.

#### Environmental Impact

The adequate financing of upkeep and operation of the System, which is provided by the proposed amendments, will result in a positive environmental impact. Sixty percent of the water supply in Monmouth County was previously derived from stressed ground water resources. The System relieves the use of a portion of the existing ground water supply and meets the needs of a developing area. This water supply system has a very important and positive environmental impact since its operation reduces the stress on the valuable ground water resources of the region by providing an alternate surface water supply. By reducing the pumping of ground water, saltwater intrusion will be limited and present ground water levels will not be further reduced.

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

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

#### Federal Standards Statement

N.J.S.A. 52:14B-1 et seq. (P.L. 1995, c. 65), requires administrative agencies that adopt, readopt, or amend any rule or regulation to which the order applies to provide a comparison with Federal law, and to provide further discussion and analysis (including a cost-benefit analysis) if the standards or requirements by the agency exceed standards or requirements imposed by Federal law.

These rules are promulgated pursuant to the procedures of the Authority. The Authority is an instrumentality of the State of New Jersey in, but not of, the Department of Environmental Protection. The Authority is charged with the operation and management of the State-owned raw water supply facilities within the State of New Jersey.

These amendments are not proposed pursuant to the authority of or in order to implement, comply with, or participate in any program established under Federal law. In addition, the amendments are not proposed pursuant to the authority of a State statute that incorporates or refers to Federal law, Federal standards, or Federal requirements. Therefore, no Federal standards analysis is required.

#### Jobs Impact

The proposed amendments are an annual revision to the Authority's regulations covering rates for its water customers in the System. The

**PROPOSALS**

**ENVIRONMENTAL PROTECTION**

implementation of these amendments is not anticipated to result in the generation or loss of jobs.

**Agriculture Industry Impact**

In accordance with P.L. 1998, c. 48, which amends the Right to Farm Act, and in accordance with N.J.S.A. 52:14B-4(a)2, which requires that an Agriculture Industry Impact be included in the rule proposal, the Authority has evaluated this rulemaking to determine the nature and extent of the impact of the proposed amendments on the agriculture industry. Agriculture is impacted to the extent that farms and other agricultural users receive water allocations from the Department of Environmental Protection and contract with the Authority for the purchase of water as a condition of the water allocation permit. The proposed amendments do not change the overall water rate for both initial water purchase contract customers and delayed water purchase contract customers. Accordingly, no impacts on the agriculture industry are anticipated.

**Regulatory Flexibility Statement**

In accordance with the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., the Authority has determined that the proposed amendments will not impose reporting, recordkeeping, or other compliance requirements on small businesses because they only affect the rates charged to users for water purchased from the Authority. The municipalities and major water purveyors that contract to purchase water from the Authority and are impacted by these rules do not qualify as "small businesses" pursuant to N.J.S.A. 52:14B-16 et seq., because all employ more than 100 full-time employees.

**Housing Affordability Impact**

In accordance with N.J.S.A. 52:14B-4, as amended effective July 17, 2008, by P.L. 2008, c. 46, the Authority has evaluated the proposed amendments for the purposes of determining their impact, if any, on the affordability of housing. The Authority has determined that the proposed amendments will impose an insignificant impact because it is unlikely that the rules will evoke a change in the average costs associated with housing. The Authority finds that the proposed amendments do not change land use policies or the nature and scope of the rules.

**Smart Growth Development Impact**

In accordance with N.J.S.A. 52:14B-4, as amended effective July 17, 2008, by P.L. 2008, c. 46, the Authority has evaluated the proposed amendments for purposes of determining their impact, if any, on smart growth development. The Authority has determined that the proposed amendments will impose an insignificant impact because it is unlikely that the rules will evoke a change in housing production within Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The Authority finds that the proposed amendments do not change land use policies or the nature and scope of the rules.

**Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The Authority has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

**Full text** of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

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

7:11-4.3 Operations and maintenance expense component  
 (a)-(b) (No change.)  
 (c) Operations and maintenance expense component:

Rate/Million Gallons  
 (based upon a 19,443  
 mg per day sales base)

Effective Date  
 July 1, [2022]2023 \$445.82

7:11-4.4 Debt service cost component

(a) (No change.)

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

1. The following debt service rate based on a sales base of 4.435 million gallons per day, applies to the delayed water purchase contract commencing July 1, 2001, October 1, 2002, and January 1, 2005.

Period Rate/Million Gallons  
 (Coverage 120 percent)  
 [7/1/2022] 7/1/2023 to  
 [6/30/2023] 6/30/2024 \$438.92

(c) (No change.)

7:11-4.5 Capital Fund Component

(a)-(b) (No change.)

(c) Capital Fund Assessment—initial water purchase contract customers:

Period Rate/Million Gallons  
 [7/1/2022] 7/1/2023 to  
 [6/30/2023] 6/30/2024 \$525.00

(d) (No change.)

(e) Capital Fund Assessment—delayed water purchase contract customers:

Period Rate/Million Gallons  
 [7/1/2022] 7/1/2023 to  
 [6/30/2023] 6/30/2024 \$200.00

7:11-4.6 Source water protection fund component

(a) (No change.)

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

Period Rate/Million Gallons  
 [7/1/2022] 7/1/2023 to  
 [6/30/2023] 6/30/2024 \$15.00

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

(a) (No change.)

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

Period Rate/Million Gallons  
 [7/1/2022] 7/1/2023 to  
 [6/30/2023] 6/30/2024 \$24.93

**Minutes of Pre-Public Hearing Meeting**

**Exhibit E**

## MINUTES

Pre-Public Hearing Meeting - January 5, 2023

Schedule of Rates, Charges and Debt Service Assessments  
for the Sale of Water from the  
Manasquan Reservoir Water Supply System  
to become effective July 1, 2023

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

Authority staff members present were Susan Buckley-Director Finance and Administration, Marc Brooks-Executive Director, and Darin Shaffer-Chief Engineer.

There were no other attendees who joined the meeting. After waiting for a period of time to ensure no late arrivals, Ms. Buckley adjourned the meeting at 11:15 a.m.

**SIGN IN SHEET  
NEW JERSEY WATER SUPPLY AUTHORITY  
Manasquan Reservoir System  
Pre-Public Meeting**

Proposed Adjustments to the Schedule of Rates, Charges and  
Debt Service Assessments to Become Effective July 1, 2023

**January 5, 2023  
11:00 a.m.**

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



**Transcript of Public Hearing**

**Exhibit F**

NEW JERSEY WATER SUPPLY AUTHORITY  
PUBLIC HEARING  
THURSDAY, FEBRUARY 2, 2023  
11:00 A.M.

-----\*  
IN RE:

JULY 1, 2023 PROPOSED RATE ADJUSTMENTS  
FOR THE SALE OF WATER FOR FY2024

MANASQUAN RESERVOIR SYSTEM  
-----\*

B E F O R E:

JEFFREY HOFFMAN  
Hearing Officer

ALSO PRESENT:

SUSAN BUCKLEY  
Director  
Finance and Administration

MARC BROOKS  
Executive Director

PAUL MCKEON  
Director  
Manasquan Water Supply & Canal  
Operations

DARIN SHAFFER  
Chief Engineer

J.H. BUEHRER & ASSOCIATES  
884 Breezy Oaks Drive  
Toms River, New Jersey 08753  
(732) 295-1975

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E X H I B I T S

EXHIBIT	DESCRIPTION	IDENT
P-1	Pre-Public Hearing Meeting Minutes of January 5th, 2023	5
P-2	Certification of Publication	6
S-1	Basis and Background Statement	16

1                   MR. HOFFMAN: On behalf of the New  
2 Jersey Water Supply Authority, I would like to  
3 welcome you here this morning. My name is Jeffrey  
4 Hoffman. As designated by the Commissioner of the  
5 New Jersey Department of Environmental Protection,  
6 and Chair of the New Jersey Water Supply Authority,  
7 I serve as Acting Chair of the Authority. I will  
8 be serving as hearing officer for this public  
9 hearing for the Authority's proposed adjustments to  
10 its Schedule of Rates, Charges, and Debt Service  
11 Assessments for the supply of water from the  
12 Manasquan Water Supply System, which will take  
13 effect on July 1st, 2023.

14                   Several members of the Authority's  
15 staff are present today, and I would like to  
16 introduce them.

17                   Mr. Marc Brooks is the Executive  
18 Director.

19                   Ms. Susan Buckley is the Director,  
20 Finance and Administration.

21                   Mr. Paul McKeon is the Director,  
22 Manasquan Water Supply and Canal Operations.

23                   Mr. Darin Shaffer is the Chief  
24 Engineer.

25                   It is requested that everyone present

1 state your name and affiliation. If you would  
2 like to make a statement today there will be a  
3 designated comment period later in the meeting.  
4 The Authority has adopted extensive rate adjustment  
5 procedures found in the New Jersey Administrative  
6 Code at N.J.A.C. 7:11-4.16 and 4.17, which provide  
7 for close contact with our water customers, the  
8 State Division of the Ratepayer Advocate, and other  
9 interested parties for the proposal of any rate  
10 adjustment. These procedures demonstrate the  
11 Authority's commitment to maintaining an active  
12 dialogue with the public, welcoming the input of  
13 interested parties and providing a forum for that  
14 input.

15 Official notice of this proposed rate  
16 adjustments for fiscal year 2024 was mailed to the  
17 water users and all interested parties on December  
18 22nd, 2022, and published in the New Jersey  
19 Register on January 3rd, 2023. On January 5th,  
20 2023 the required pre-public hearing meeting with  
21 our contractual water customers and interested  
22 parties was conducted. There were no attendees at  
23 the pre-public hearing.

24 Ms. Buckley, do we have minutes from  
25 the pre-public hearing meeting of January 5th,

1 2023?

2 MS. BUCKLEY: Yes, Mr. Chairman. And,  
3 I would like to enter the January 5th, 2023  
4 pre-public hearing minutes into the record as  
5 Exhibit P-1.

6 MR. HOFFMAN: Please mark the  
7 pre-public hearing meeting minutes as Exhibit P-1.

8 (Whereupon Exhibit P-1, Pre-Public  
9 Hearing Meeting Minutes of January 5th, 2023, are  
10 marked for identification.)

11 MR. HOFFMAN: At this time I will ask  
12 Ms. Buckley if we have a certification of the  
13 publication and the mailing of notification of this  
14 public hearing to present for the record?

15 MS. BUCKLEY: Yes, Mr. Chairman. We  
16 have certification that notice of this public  
17 hearing was mailed to the Secretary of State, the  
18 Division of the Ratepayer Advocate, the news media  
19 maintaining a press office at the State House  
20 Complex, the Board of Public Utilities, the  
21 Authority's contractual water purchasers, and other  
22 interested parties on December 22nd, 2022, and  
23 advertised in the Asbury Park Press, the Star  
24 Ledger, and the Times Trenton, on December 22nd,  
25 2022.

1 I would like to enter this  
2 certification into the record as Exhibit P-2.

3 MR. HOFFMAN: Please mark this  
4 certification as Exhibit P-2.

5 (Whereupon Exhibit P-2,  
6 Certification of Publication, is marked for  
7 identification.)

8 MR. HOFFMAN: Thank you, Ms. Buckley.  
9 Ms. Buckley, will you now present the  
10 Authority's opening statement.

11 MS. BUCKLEY: Good morning.

12 The Authority is proposing to amend  
13 its Schedule of Rates Charges and Debt Service  
14 Assessments for the sale of water from the  
15 Manasquan Reservoir System, "System", to cover  
16 expenses for the fiscal year, "FY", 2024. The  
17 Authority operates on a July 1st to June 30th  
18 fiscal year. The proposed amendments update  
19 references to the fiscal year from FY2023 to  
20 FY2024. The overall proposed rate of \$1,010.75 per  
21 MG for Initial Water Purchase Contracts, IWP,  
22 represents no change versus the current rate of  
23 \$1,010.75 per MG. The overall proposed rate of  
24 \$1,124.67 per MG for Delayed Water Purchase  
25 Contracts, DWP, represents no change versus the

1 current rate. The Authority anticipates the rates  
2 will be adopted effective July 1st, 2023.

3 The General Rate Schedule for  
4 Operations and Maintenance was last adjusted  
5 effective July 1st, 2022 to cover the operating  
6 expenses of the system for the fiscal year 2023.  
7 For the current fiscal year, there is no change in  
8 the Operations and Maintenance rate of the \$432.87  
9 per MG, and there is no change projected in the  
10 sales base. Projected expense increases,  
11 primarily in salary, fringe, and insurance  
12 expenses, are being offset by overdraft revenues  
13 and budget surplus from prior periods, as well as  
14 excess debt service raised as a requirement of the  
15 Authority's bond resolutions.

16 The Debt Service component of the rate  
17 for the Delayed Water Purchase Contracts will be  
18 \$438.92 per million gallons, no change from FY2023.  
19 Debt Service related to Delayed Water Purchase  
20 customers is essentially flat versus FY23, and the  
21 debt service component reflects the 120 percent  
22 debt service coverage.

23 A capital fund rate component was  
24 established in FY2021 in the Manasquan System for  
25 Initial Water Purchase Contracts, \$525.00/mg, and



1 Delayed Water Purchase contracts, \$200.00/mg, to  
2 provide for long-term capital needs that will allow  
3 for the proper maintenance, rehabilitation and/or  
4 replacement of the system facilities. The  
5 Authority is proposing no change to the capital  
6 fund component.

7 The Authority is proposing no change  
8 to the NJEIFP Debt Service and Source Water  
9 Protection Components of the rate. The New Jersey  
10 Water Supply Authority is operating, maintaining,  
11 and managing three distinct systems, each with its  
12 own budget, cost accountability, and revenue  
13 stream. The Raritan Basin System and the Manasquan  
14 Reservoir Water Supply System are both untreated  
15 water supply systems. A water treatment plant and  
16 transmission system for the Southeast Monmouth  
17 Municipal Utilities Authority was constructed on  
18 Authority-owned property.

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

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

6 Independent auditors are reviewing the  
7 Authority's fiscal year 2022 allocation calculation  
8 that results in an adjustment to be netted against  
9 the fiscal year 2024 budget allocation. A copy of  
10 the auditor's report on the allocation of the  
11 headquarter's general and administrative costs will  
12 be included in the rate proposal package for each  
13 system as available.

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

20 The total charge for the water supply  
21 consists of a component to cover the costs of  
22 operating and maintaining the System, a Debt  
23 Service Component, Capital Fund Component, an  
24 NJEIFP Debt Component, and a Source Water  
25 Protection Component.

1           After all the appropriate allocations  
2 from the Raritan Basin System and to the water  
3 treatment plant and transmission system, the  
4 projected operating costs for fiscal year 2024  
5 indicate that an Operations and Maintenance rate  
6 component of \$445.82 per million gallons will be  
7 required starting July 1st, 2023. This represents  
8 no increase over the prior fiscal year. The  
9 Operations and Maintenance component sales base  
10 remains at 19.443 million gallons per day.

11           The Debt Service component of the  
12 total rate is calculated each year to cover the  
13 payments due on the outstanding debt for the  
14 System. The Debt Service assessment was  
15 established effective July 1st, 1990 to cover debt  
16 service payments on the initial loan of \$63,600,000  
17 at an interest rate of 7.15 percent, subsequently  
18 reduced to 5.93 percent in fiscal year 1997 for  
19 payments due August 1998 and after; and, the  
20 payment for the interim completion loan of  
21 \$7,416,000 at an interest rate of 7.16 percent,  
22 which was also later reduced to 6.24 percent in  
23 fiscal year 1992.

24           In August of 2005, the Authority  
25 refunded the current portion of the State Loan

1 Notes and the Completion Notes at an average coupon  
2 of 4.83 percent, and a net present value savings of  
3 \$6.187 million. The term of the bonds was 25  
4 years. The bond proceeds also fully funded the  
5 Debt Service Reserve Account, and debt service  
6 coverage must remain at 120 percent through the  
7 life of the bonds.

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

18           In May of 2016, the Authority issued  
19 \$17,460,000 of the Manasquan Reservoir Water Supply  
20 System Revenue Refunding Bonds which refunded the  
21 2005 Manasquan Reservoir Water Supply System  
22 Revenue Bonds, as well as the current State Loan  
23 Notes and Completion Notes. The 2016 bonds have an  
24 average coupon of 3.78 percent and a net present  
25 value savings of \$3.0 million dollars. The term

1 of the bonds is fifteen years.

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

9 The Authority established a Source  
10 Water Protection Fund Component in fiscal year 2004  
11 dedicating \$15.00 per million gallons to protect  
12 the quality and quantity of waters in the Manasquan  
13 Reservoir Water Supply System. The Authority  
14 reduced the Source Water Protection Component from  
15 \$15.00 per million gallons to \$10.00 per million  
16 gallons in fiscal year 2016, and the rate increased  
17 to \$15.00 per million gallons in fiscal year 2018.  
18 The Authority proposes that the rate remain the  
19 same at \$15.00 per million gallons in fiscal year  
20 2024 to adequately fund source water protection  
21 efforts.

22 The Authority established the NJEIFP  
23 Debt Component in FY2012 to pay debt service on  
24 bonds issued in May of 2012 at 75 percent zero  
25 interest and 25 percent market interest by the New

1 Jersey Environmental Infrastructure Financing  
2 Program to build a structure over the Intake Pumps  
3 and Traveling Water Screens. The Authority  
4 proposes that this rate component remain the same  
5 at \$24.93 per million gallons in fiscal year 2024.

6 The total proposed rate on July 1st,  
7 2023 for the contracts effective as of July 1st,  
8 1990, will be at \$1,010.75 per million gallons, no  
9 change versus the prior fiscal year. The total  
10 proposed rate on July 1st, 2023 for Delayed Water  
11 Purchase Contracts will be \$1,124.67 per million  
12 gallons, no change versus the prior fiscal year.

13 The Authority's procedure for the rate  
14 adjustments is found in the New Jersey  
15 Administrative Code at N.J.A.C. 7:11-4.13,  
16 thereafter "the Regulations". These rate  
17 adjustment procedures require the Authority to give  
18 official notice and an explanation outlining the  
19 need for proposed rate adjustments to various  
20 entities at least six months prior to the proposed  
21 effective date.

22 The Authority's Commissioners formally  
23 proposed the publication of the rate adjustment for  
24 fiscal year 2024 at their regular monthly business  
25 meeting on November 7th, 2022. The Basis and

1 Background Statement was posted on the Authority's  
2 website on October 28th, 2022.

3 Mr. Hoffman, I request that this Basis  
4 and Background document be entered into the record  
5 as Exhibit S-1.

6 The Authority's rate adjustment  
7 procedures provide that the contractual water  
8 customers and interested parties be provided the  
9 opportunity to meet with Authority staff at a  
10 pre-public hearing meeting in order to be presented  
11 with an explanation of the formal proposal. This  
12 pre-public hearing meeting must be scheduled within  
13 forty-five days after the official notice of a  
14 proposed rate adjustment is sent. A Notice of  
15 Public Hearing was mailed on December 22nd, 2022 to  
16 contractual water customers and other interested  
17 parties informing them of the pre-public and public  
18 hearings scheduled for January 5th and February  
19 2nd, 2023, respectively, via Microsoft Teams.

20 Additionally, on December 22nd, 2022,  
21 notice of the pre-public hearing and this public  
22 hearing was published in the Asbury Park Press, the  
23 Times Trenton, and the Star Ledger. Notice of the  
24 proposed rate adjustment and the public hearing  
25 Schedule also appeared in the January 3rd, 2023

1 issue of the New Jersey Register. The pre-public  
2 hearing was conducted on January 5th, 2023, and  
3 there were no attendees.

4 The Authority's regulations state that  
5 interested parties may submit written questions for  
6 inclusion in the hearing record, and if submitted  
7 no later than fifteen days prior to the public  
8 hearing, Authority staff at today's meeting must  
9 provide answers to the questions. The Authority  
10 will also provide a complete response to any  
11 questions received subsequent to the fifteen-day  
12 deadline, and up to and including March 13th, 2023,  
13 the closing date for the hearing record. In  
14 addition, any party may direct questions and  
15 follow-up to the Authority staff at the public  
16 hearing. In the event a response cannot be  
17 immediately given today, a written response shall  
18 be prepared within ten business days of this public  
19 hearing, and a copy of that written response shall  
20 be provided to all contractual water customers, the  
21 Division of the Ratepayer Advocate, the Board of  
22 Public Utilities, and attendees at the meeting  
23 requesting the same, and the response shall be made  
24 a part of the hearing record. Comments received  
25 before the close of the New Jersey Register comment



1 period on March 4th, 2023 will also be entered into  
2 the record.

3 Finally, within ten working days after  
4 the receipt of the answer, contractual water  
5 customers, the Division of the Ratepayer Advocate,  
6 the Board of Public Utilities and attendees will be  
7 permitted to respond in writing to the answers of  
8 the staff for the record.

9 After the hearing record is closed and  
10 the New Jersey Register comment period expires, a  
11 Hearing Officer's report, which shall include  
12 findings of fact and specific responses to all  
13 issues and questions raised during the public  
14 hearing proceedings, will be prepared and submitted  
15 to the entire Authority prior to the Authority  
16 taking final action on the proposal.

17 Mr. Hoffman, that concludes the  
18 Authority's opening statement.

19 MR. HOFFMAN: Please mark the Basis  
20 and Background document dated 11/7/22 as Exhibit  
21 S-2.

22 (Whereupon Exhibit S-1, Basis and  
23 Background Statement, is marked for  
24 identification.)

25 MR. HOFFMAN: Ms. Buckley, have we

1 received any written or verbal communications for  
2 inclusion in the public hearing record?

3 MS. BUCKLEY: No, Mr. Chairman, we  
4 have not.

5 MR. HOFFMAN: Ms. Buckley, are there  
6 any additional proposed rule changes not associated  
7 with the changes to existing rates?

8 MS. BUCKLEY: No, Mr. Chairman, there  
9 are not.

10 MR. HOFFMAN: Next on the agenda is  
11 Authority staff answers to questions raised prior  
12 to today's hearing.

13 Ms. Buckley, has the Authority  
14 received any questions prior to today's hearing?

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

17 MR. HOFFMAN: Thank you, Ms. Buckley.

18 We are now prepared to enter oral  
19 statements, written statements and/or any other  
20 supporting evidence by all interested parties into  
21 the record. At this time I would like to invite  
22 anyone who would like to make a statement to state  
23 your name and affiliation.

24 Let the record reflect that I have not  
25 received any statements from any members of the

1 public.

2 We will now entertain questions, and  
3 if possible today, hear the responses by Authority  
4 staff. Does any member of the public have  
5 questions for staff?

6 After the New Jersey Register comment  
7 period closes on March 4th, 2023 and the hearing  
8 record is closed on March 13th, 2023, I, as the  
9 hearing officer, will prepare a report of my  
10 findings, based solely on the record of the  
11 proceedings which shall include findings of fact  
12 and specific responses to all issues and questions  
13 raised during these proceedings. My hearing  
14 officer's report will be submitted to the Authority  
15 and presented to the Authority's Board for final  
16 action on the proposal. Written comments may be  
17 submitted until the end of public comment period on  
18 March 13th, 2023.

19 I anticipate that the Authority will  
20 take final action on these proposed rates at a  
21 regular monthly business meeting on or before June  
22 5th, 2023.

23 The Authority appreciates your  
24 attendance here today. This public hearing is  
25 adjourned.

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(Whereupon the proceedings were  
concluded at 11:15 a.m.)

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C E R T I F I C A T E

I, CHRISTINA RESTUCCIA, a Court Reporter of the State of New Jersey, authorized to administer oaths pursuant to R.S.41:2-2, do hereby CERTIFY that the foregoing is a true and accurate transcript of the testimony that was taken stenographically by and before me at the time, place and on the date herein before set forth.

I DO FURTHER CERTIFY that I am neither a relative nor employee nor attorney nor counsel of any of the parties to this action, and that I am not financially interested in the action.



Notary Public of the State of New Jersey  
My Commission expires November 14, 2026

<b>\$</b>	<b>3.0</b> - 11:25 <b>3.78</b> - 11:24 <b>30th</b> - 6:17 <b>3rd</b> - 4:19, 14:25	<b>allocated</b> - 9:14, 9:19 <b>allocation</b> - 8:24, 9:3, 9:7, 9:9, 9:10 <b>allocations</b> - 10:1 <b>allow</b> - 8:2 <b>amend</b> - 6:12 <b>amendments</b> - 6:18 <b>amounts</b> - 9:18 <b>answer</b> - 16:4 <b>answers</b> - 15:9, 16:7, 17:11 <b>anticipate</b> - 18:19 <b>anticipates</b> - 7:1 <b>appeared</b> - 14:25 <b>appreciates</b> - 18:23 <b>appropriate</b> - 10:1 <b>Asbury</b> - 5:23, 14:22 <b>assess</b> - 8:22 <b>assessment</b> - 10:14 <b>Assessments</b> - 3:11, 6:14 <b>associated</b> - 11:13, 17:6 <b>Associates</b> - 1:23 <b>attendance</b> - 18:24 <b>attendees</b> - 4:22, 15:3, 15:22, 16:6 <b>attorney</b> - 20:11 <b>audited</b> - 9:4 <b>auditing</b> - 8:23 <b>auditor's</b> - 9:10 <b>auditors</b> - 9:2, 9:6 <b>August</b> - 10:19, 10:24 <b>Authority</b> - 1:1, 3:2, 3:6, 3:7, 4:4, 6:12, 6:17, 7:1, 8:5, 8:7, 8:10, 8:17, 8:18, 10:24, 11:8, 11:16, 11:18, 12:9, 12:13, 12:18, 12:22, 13:3, 13:17, 14:9, 15:8, 15:9, 15:15, 16:15, 17:11, 17:13, 18:3, 18:14, 18:19, 18:23 <b>Authority's</b> - 3:9, 3:14, 4:11, 5:21, 6:10, 7:15, 8:19, 9:2, 9:7, 9:16, 13:13, 13:22, 14:1, 14:6, 15:4, 16:18, 18:15 <b>Authority-owned</b> - 8:18 <b>authorized</b> - 20:4 <b>available</b> - 9:13 <b>average</b> - 11:1, 11:24	<b>Buckley</b> - 1:14, 3:19, 4:24, 5:2, 5:12, 5:15, 6:8, 6:9, 6:11, 16:25, 17:3, 17:5, 17:8, 17:13, 17:15, 17:17 <b>budget</b> - 7:13, 8:12, 9:9, 9:18 <b>Buehrer</b> - 1:23 <b>build</b> - 13:2 <b>business</b> - 13:24, 15:18, 18:21	<b>consultant</b> - 9:16 <b>contact</b> - 4:7 <b>contract</b> - 11:11, 11:13 <b>Contracts</b> - 6:21, 6:25, 7:17, 7:25, 12:3, 12:6, 13:11 <b>contracts</b> - 8:1, 13:7 <b>contractual</b> - 4:21, 5:21, 14:7, 14:16, 15:20, 16:4 <b>contributed</b> - 11:16 <b>copy</b> - 9:9, 15:19 <b>cost</b> - 8:12 <b>costs</b> - 8:25, 9:11, 9:14, 9:21, 10:4 <b>counsel</b> - 20:11 <b>coupon</b> - 11:1, 11:24 <b>Court</b> - 20:3 <b>cover</b> - 6:15, 7:5, 9:21, 10:12, 10:15 <b>coverage</b> - 7:22, 11:6 <b>current</b> - 6:22, 7:1, 7:7, 9:2, 10:25, 11:9, 11:22 <b>customer</b> - 11:17 <b>customers</b> - 4:7, 4:21, 7:20, 12:8, 14:8, 14:16, 15:20, 16:5	
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## Correspondence and Testimony

### Exhibit G

**NO CORRESPONDENCE RECEIVED**

**Staff Memorandum to Hearing Officer**

**Exhibit H**



# NEW JERSEY WATER SUPPLY AUTHORITY

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

March 14, 2023

## MEMORANDUM

TO: Mr. Jeffrey Hoffman  
Hearing Officer

FROM: Marc Brooks, Executive Director  
New Jersey Water Supply Authority

SUBJECT: Proposed adjustments to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System (N.J.A.C. 7:11-4.1, et seq.)

Please be advised that no additional comments or inquiries on the Manasquan Reservoir System FY2024 rate proposal were received by the Authority subsequent to the public hearing of February 2, 2023 so that the public comments noted for the record at the hearing (none) represent a complete picture of public input.

Staff has analyzed the budget of the original rate package for any revisions that should be considered prior to final action of the Authority at the May 1, 2023 meeting. There will be no change to any component of the rates as proposed at the November 7, 2022 Authority meeting.

The total rate (O&M plus Debt Service, NJEIFP Debt Component, Source Water Protection Component and Capital Fund Component) of \$1,010.75 per million gallons will apply to all Initial water purchase customers in FY2024 (starting July 1, 2023) and results in no change versus FY2023.

The total rate (O&M plus Debt Service, NJEIFP Debt Component, Capital Fund Component and Source Water Protection Component) of \$1,124.67 per million gallons will apply to all Delayed water purchase customers in FY2024 (starting July 1, 2023) and results in no change versus FY2023.

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM  
FISCAL YEAR 2024 (7/1/23-6/30/24)

**REVISIONS TO ORIGINAL RATE PACKAGE**

1.	No Changes	

**Draft Resolution Adopting Rate**  
**Adjustments**

**Exhibit I**

RESOLUTION OF THE NEW JERSEY WATER SUPPLY AUTHORITY

NO.: \_\_\_\_\_

DATE OF ADOPTION: \_\_\_\_\_

TITLE: Resolution Adopting Revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System, to become effective July 1, 2023 (regulations found at N.J.A.C. 7:11-4.1 et seq.)

WHEREAS, N.J.S.A. 58:1B-7g and 58:1B-19 provide for the New Jersey Water Supply Authority ("Authority") to fix and revise from time to time its rates, fees and charges; and

WHEREAS, the Authority has estimated its revenue requirements for the fiscal year beginning on July 1, 2023; and

WHEREAS, by Resolution No. 2552 adopted on November 7, 2022 the Authority proposed certain revisions to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System, to become effective July 1, 2023 (regulations found at N.J.A.C. 7:11-4.1 et seq.); and

WHEREAS, the proposal was mailed to all contractual water purchasers in December 2022, and published in the Asbury Park Press, the Star Ledger and the Times (Trenton) on December 22, 2022, and also appeared in the New Jersey Register on January 3, 2023 with a 60-day comment period ending March 4, 2023; and

WHEREAS, a pre-public hearing meeting was conducted on the proposed amendments on January 5, 2023; and

WHEREAS, the Authority conducted a public hearing on the proposed amendments on February 2, 2023 with the record remaining open through March 13, 2023; and

WHEREAS, the Authority's Hearing Officer, after having reviewed and considered the testimony received during the rate making process, did submit a Hearing Officer's Report to the Authority together with recommendations; and

WHEREAS, the Authority must provide for sufficient revenues and a rate structure to cover its costs.

NOW THEREFORE, be it resolved that the Authority adopts the Hearing Officer's Report entitled "Fiscal Year 2024 Proposed Amendments to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System;" and

BE IT FURTHER RESOLVED, that the Authority adopts the following amendments to the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System, found at N.J.A.C. 7:11-4.1 et seq. to become effective on July 1, 2023:

1. Amend N.J.A.C. 7:11-4.3(c) of the Schedule of Rates, Charges and Debt Service Assessments for the Sale of Water from the Manasquan Reservoir System to maintain a sales base of 19.443 million gallons per day and to maintain the Operations and Maintenance Expense component of \$445.82 for the period of July 1, 2023 to June 30, 2024; and
2. Amend N.J.A.C. 7:11-4.4(b) (Debt Service Component for delayed water purchase contracts) to maintain a sales base



of 4.435 million gallons per day and to maintain the rate of \$438.92 per million gallons for Delayed water purchase contracts for the period of July 1, 2023 to June 30, 2024.

3. Amend N.J.A.C. 7:11-4.6(b) (Source Water Protection Fund Component) to reflect the period of July 1, 2023 to June 30, 2024 and maintain the rate of \$15.00 per million gallons.

4. Amend N.J.A.C. 7:11-4.7(b) (NJEIFP Debt Component) to reflect the period of July 1, 2023 to June 30, 2024 and maintain the rate of \$24.93 per million gallons.

5. Amend 7:11-4.5(c)(Capital Fund Assessment for Initial water purchase contract customers) to reflect the period of July 1, 2023 to June 30, 2024 and maintain the rate of \$525.00 per million gallons. Amend 7:11-4.5(e)(Capital Fund Assessment for Delayed water purchase contract customers) to reflect the period of July 1, 2023 to June 30, 2024 and maintain the rate of \$200.00 per million gallons.

BE IT FURTHER RESOLVED that the following actions are authorized:

1. Transfer \$6,230 in Overdraft Revenue from the Operating Fund into the General Fund (Rate Stabilization). Appropriate \$580,950 of prior year-end fund balances from the Operating Fund into the Rate Stabilization Fund.
2. Apply \$587,180 appropriated into the General Fund (Rate Stabilization) to the Operating Fund for Fiscal Year 2024.

**Draft Resolution Adopting FY2021**  
**Budget**

**Exhibit J**

RESOLUTION OF THE NEW JERSEY WATER SUPPLY AUTHORITY

NO. : \_\_\_\_\_

DATE OF ADOPTION: \_\_\_\_\_

TITLE: Resolution approving the Authority's Manasquan Reservoir System Budget for Fiscal Year 2024 (July 1, 2023 - June 30, 2024).

WHEREAS, the Executive Director proposed a budget for Fiscal Year 2024 that was provided to the Authority Members on May 1, 2023; and

WHEREAS, the Authority has previously considered the proposed budget as part of the Rate Adjustment procedure for Fiscal Year 2024, and the adopted rate schedule for Fiscal Year 2024 is based upon the proposed budget requirements in the amount of \$8,044,105 including required debt service coverage.

NOW THEREFORE, be it resolved that the Authority approves a budget of \$8,044,105 for the Fiscal Year beginning July 1, 2023 through June 30, 2024.