

adjustments involved are adopted by the Authority, but the methods, periodic amounts and timing of such charges and allocation of benefits shall be as reasonably determined by the Authority. Such payments shall be made in a lump sum on or before contract commencement or on the same basis as Quarterly Water Payments under Section 5.B hereof.

Delayed Water Purchase Surcharges shall include the payment when due of the principal and sinking fund installments of and interest on the Delayed Water Purchaser's Share of Converted Unsold System Capacity Interest Accretion Bonds. Delayed Water Purchase Surcharges shall also include, as a component of the Coverage Charge allocable to this Delayed Water Purchase Contract, an amount equal to 20% of the principal and sinking fund installments of and interest on the Delayed Water Purchaser's Share of Converted Unsold System Capacity Interest Accretion Bonds. The Authority shall, in computing the Applicable Debt Service Schedule pursuant to Section 719 of the Resolution for the Delayed Water Purchaser party to this Delayed Water Purchase Contract, provide for the amortization of the Delayed Water Purchaser's Share of Converted Unsold System Capacity Interest Accretion Bonds.

F. The Authority agrees that it will apply to the prepayment of State Loan Bonds surplus revenues generated by debt service coverage requirements imposed pursuant to the State Loan Agreement and the Resolution, to the extent they exceed the amounts required to be deposited in the debt service fund for the State Loan Bonds or in any Special or Reserve Fund, with the benefits from the resulting reduction in Debt Service Costs to be allocated among System Water Purchasers in proportion to

their respective contributions to the surplus revenues which were so applied to prepayment of State Loan Bonds, either by way of appropriate Delayed Water Purchase Surcharges and related credits, or any other appropriate method.

G. The Authority agrees that, if the State shall determine to require a debt service reserve fund for State Loan Bonds in addition to the 50% of maximum annual debt service which is to be funded from water charges levied to provide debt service coverage as described in the State Loan Agreement, the Authority will permit any System Water Purchaser to provide the additional debt service reserve fund deposit allocable to such System Water Purchaser's Water Supply Contract (in cash, or in the form of a letter of credit or insurance contract meeting the requirements of the Resolution and acceptable to the Trustee under the Resolution), in which event the Authority will impose appropriate charges and effect related credits, so as to restrict the imposition of additional Debt Service Costs arising from any State Loan made to fund such additional reserve requirements, and limit the benefit of investment income from the debt service reserve fund, to those System Water Purchasers not providing such funding for the portion of such requirements attributable to their Water Purchase Contracts.

Section 7. **DELIVERY AND WITHDRAWAL OF WATER.**

A. Purchaser and New Jersey American agree with each other to negotiate in good faith, and utilize their best efforts, to enter into a separate agreement pursuant to which New Jersey American will receive, for the account of the Purchaser, water to be delivered pursuant to this Agreement at

the Point of Delivery, will transport such water to New Jersey American's treatment plant and, following treatment, will deliver the treated water to the Purchaser at one or more points of interconnection between New Jersey American's water system and Purchaser's water system, but neither this Contract nor any other Water Purchase Contract shall be affected by a failure of the Purchaser and New Jersey American to enter into such other agreements. If such other agreement shall not have been entered into, New Jersey American shall not by the terms of this Contract be required to receive water for the account of the Purchaser at New Jersey American's interconnection System [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]. Neither the failure of New Jersey American to accept such water for the account of the Purchaser at New Jersey American's interconnection system, nor the inability of the Purchaser to make alternate arrangements for wheeling such water to it and/or treatment of water, shall affect Purchaser's obligation to make payment for such water otherwise available for delivery to Purchaser by the Authority. The Authority shall have no responsibility with respect to any failure of Purchaser and New Jersey American to enter into any such agreement or to make other arrangements for delivery or treatment of water available under this Contract, or with respect to any contract entered into between New Jersey American under any such contract of any of the foregoing services and the obligation of the Purchaser to make payment hereunder shall not be affected by any failure by New Jersey American to perform any of the foregoing services or by any other action or inaction of New Jersey American, any of its employees, agents, officers, directors or controlling persons.

B. Water shall be withdrawn from the System at Purchaser's sole cost and expense. Title to all water supplied from the System shall be in the Authority up to the Point of Delivery, at which point title shall pass to the Purchaser upon withdrawal of such water.

C. In the event of meter malfunction involving variances greater than two percent from actual, the Authority may estimate the amounts of water actually withdrawn and base charges upon such estimates rather than meter readings, without prejudice to the right of the Purchaser to dispute such estimate and to pursue any legal remedy in connection therewith. Such estimates shall be on the Purchaser's average daily withdrawals, with due consideration of the scale of plant operation before and during the breakdown period, or on such other method consistent with Prudent Water Supply Practice as the Authority shall determine.

D. The Purchaser agrees to indemnify, defend and hold harmless the Authority from and against all claims, damages or losses suffered, sustained or required to be paid by the Authority, arising from any act or omission of the Purchaser, its officers, agents, representatives or employees, in connection with New Jersey American's interconnection system, the operation thereof, or any activities carried out by the Purchaser, its officers, employees, agents or representatives, on the premises of, or with respect to, the System, or with respect to any of the services which are the subject of this Contract.

E. The Authority, to the fullest extent permitted by the New Jersey Tort Claims Act, shall be responsible and shall at its own expense, defend itself against any and all suits, claims, losses, demands or damages of whatsoever kind or nature, arising out of or in connection with any act or omission of the Authority, its employees, agents or contractors, in performance of the obligations assumed by the Authority pursuant to this Agreement. The Authority hereby releases the Purchaser from any and all liabilities, claims, losses, costs, expenses and demands of any kind or nature whatsoever, arising under the state or federal law, solely out of or in connection with the Authority's performance of the obligations assumed by the Authority pursuant to this Agreement.

Section 8. **FORCE MAJEURE.**

If by reason of Force Majeure either the Authority or Purchaser shall be rendered unable wholly or in part to satisfy its obligations under this Contract and shall give notice and full particulars of such Force Majeure in writing to the other such party hereto within a reasonable time after occurrence of the event or cause relied on, then the obligation of the party giving such notice, to the extent affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed; provided, however, that the existence of an element of Force Majeure shall in no event affect the obligation of the Purchaser to make the Quarterly Water Payments and other payments required under this Contract (subject to the provisions of Section 5.E hereof), but nothing in this Section 8 shall require the Purchaser to make any payment for water which the Authority does not make available to the Purchaser. Either

party so affected shall use its best efforts to remove or overcome such Force Majeure with all reasonable dispatch.

Section 9. **TERM OF CONTRACT.**

A. This Contract shall become effective on July 1, 2015 and expire on June 30, 2040, unless previously terminated herein.

B. The Authority shall have the right to terminate this Contract without penalty as provided in Section 11 hereof. The Purchaser shall have the right to terminate or amend this contract if the Division approves an alternate source of supply within the Supply Area or Manasquan River Basin and issues or renews an allocation permit to the Purchaser.

C. In the event of an emergency, natural or otherwise, and, where practicable, after public notice and hearing in accordance with the "Administrative Procedure Act," P.L. 1968, c.410, as amended (N.J.S.A. 52:14B-1 et. seq.), the Authority reserves the right temporarily to curtail or suspend the Purchaser's withdrawal of water from the System, in which event Purchaser's payment obligation shall be reduced as provided in Section 5.E hereof.

D. Within ninety (90) days after termination of this Contract or such longer period as may be reasonably required, the Purchaser agrees to remove or have removed from System property any facilities installed by Purchaser or on behalf of Purchaser, on System property, and to restore said property to its former condition as nearly as may be and in a manner satisfactory in the reasonable judgment of the Authority. On

Purchaser's failure to do so, the Authority may make such removal and restoration at the sole cost and expense of the Purchaser, which cost and expense Purchaser agrees to pay on demand. The Authority also reserves the option to sell such facilities to assist in defraying the cost and expense of removal and restoration. Purchaser may within thirty (30) days after termination submit a written offer to sell or donate such facilities to the Authority, which the Authority shall accept or reject in writing within sixty (60) days.

E. In the event that the Department shall approve an apportionment of System water to the Purchaser for an additional period beyond the term of this Agreement, the Authority agrees that if the Purchaser shall give notice to the Authority promptly after such approval of its desire to extend the term of this Contract to cover the additional period, not exceeding 25 years, for which such apportionment has been approved, the Authority will negotiate with the Purchaser in good faith with a view to agreeing to such an extension on fair and reasonable terms.

Section 10. **INSURANCE.**

A. **AUTHORITY INSURANCE.** The Authority shall exercise reasonable commercial efforts to purchase and carry fire, casualty, public liability and other insurance on the System, or otherwise establish and fund its own self-insurance program or participate in any State-administered pooled risk or self-insurance program or participate in any State-administered pooled risk or self-insurance program, for purposes and in amounts which ordinarily would be carried or funded by a person

or entity owning and maintaining similar facilities, except that the Authority shall not be required to carry liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of the Authority's legal counsel, be liable under the New Jersey Tort Claims Act, or any similar law or judicial decision. All premiums for such insurance shall constitute an Operation and Maintenance Expense of the System.

B. PURCHASER INSURANCE. The Purchaser shall exercise reasonable commercial efforts to purchase and carry fire, casualty, public liability and other insurance on any facilities located by the Purchaser on System property, for purposes and in amounts which ordinarily would be carried by a person or entity owning, operating and maintaining such facilities, except that if the Purchaser is a municipality, or instrumentality thereof, it shall not be required to carry liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of the Purchaser's legal counsel, be liable under the New Jersey Tort Claims Act or any similar law or judicial decision. The Authority shall be named as an "additional insured" on all public liability insurance policies purchased by the Purchaser for facilities located by the Purchaser on System property.

Section 11. EVENTS OF DEFAULT.

If the Purchaser shall (i) fail to make any payment due under this Contract for more than 30 days after any such payment is due or (ii) be unable to perform, or shall default in the performance of, any of its obligations under this Contract, and such default is willful or remains uncured more than 60 days

after notice thereof is given by the Authority to Purchaser, then the Authority may without further notice take any one or more of the following actions:

A. discontinue the supply and delivery of water under this Contract during the period of such default, without altering of the obligation of the Purchaser to make Quarterly Water Payments or any other payment required by the terms of this Contract;

B. bring any suit, action or proceeding at law or in equity necessary or appropriate to enforce any covenant, agreement or obligation against the Purchaser;

C. take any other action permitted by law to enforce its rights under this Contract to recover damages for breach thereof, or;

D. unless all existing defaults shall theretofore have been cured, terminate this Contract.

Section 12. **PAYMENTS AND NOTICE.**

Unless otherwise provided herein, any payment, notice, communication, request, reply or advice herein provided or permitted to be given, made or accepted by the Authority or Purchaser to each other shall be given or be served either by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall

be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the Authority and Purchaser shall, until changed as hereinafter provided, be as follows:

If to the Authority, to:

New Jersey Water Supply Authority
1851 Route 31
P. O. Box 5196
Clinton, NJ 08809

If to the Purchaser, as follows:

Shorelands Water Company, Inc.
1709 Union Avenue
Hazlet, NJ 07730

If to New Jersey American, as follows

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

The parties hereto shall have the right from time to time and at any time to change their respective addresses by at least fifteen (15) days' written notice to the other parties hereto.

Section 13. **SEVERABILITY.**

In the event that one or more of the provisions of this Contract shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the parties hereto that such illegality or invalidity shall not affect any other provision hereof, but this Contract

shall be construed and enforced as if such illegal or invalid provision had not been contained herein unless a court of competent jurisdiction holds that such provisions are not separable from all other provisions of this Contract or that their deletion materially alters the substance of such Contract.

Section 14. **BINDING EFFECT.**

This Contract, when executed and delivered by the parties hereto, shall be a valid and binding agreement which shall be governed by and construed in accordance with the laws of the State of New Jersey. No party hereto may assign its rights or obligations hereunder without the consent of the other party or parties entitled to the benefit of such rights or obligations, which consent shall not be unreasonable withheld.

IN WITNESS, WHEREOF, the Authority, the Purchaser and New Jersey American have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of June 16, 2015.

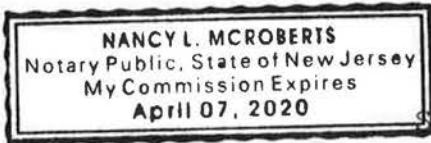
(Authority Seal)

NEW JERSEY WATER SUPPLY AUTHORITY

ATTEST:

By [Signature]
Henry Patterson
Executive Director

[Signature]
(Authorized Authority Notary)



ATTEST:

SHORELANDS WATER COMPANY, INC.
By [Signature]
Authorized Officer

[Signature]
(Authorized Authority Notary)
Susanne Hrabosky
Notary Public of NJ
My Commission Expires
June 11, 2018

ATTEST:

NEW JERSEY AMERICAN WATER COMPANY
By: [Signature]
Authorized Officer

[Signature]
(Authorized Notary)
county of Camden
State of NJ
Reviewed and Approved As to Form:
com exp: 7-24-19

Stephen P. Schmitt
VP Operations
6-30-15

John Jay Hoffman
Acting Attorney General for the State of New Jersey

By: see following page
Helene P. Chudzik
Senior Deputy Attorney General

IN WITNESS, WHEREOF, the Authority, the Purchaser and New Jersey American have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of June 16, 2015.

(Authority Seal)

NEW JERSEY WATER SUPPLY AUTHORITY

ATTEST:

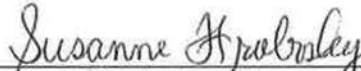
By _____
Henry Patterson
Executive Director

(Authorized Authority Notary)

ATTEST:

SHORELANDS WATER COMPANY, INC.

By 
Authorized Officer


(Authorized Purchaser Notary)
Susanne Hrabosky
Notary Public of NJ
My Commission Expires
June 11, 2018

ATTEST:

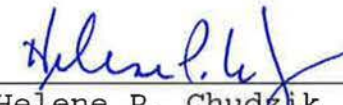
NEW JERSEY AMERICAN WATER COMPANY

By: _____
Authorized Officer

(Authorized Notary)

Reviewed and Approved As to Form:

John Jay Hoffman
Acting Attorney General for the State of New Jersey

By: 
Helene P. Chudzik
Senior Deputy Attorney General

APPENDIX A

Criteria for Optional Water Use Schedule

1. On any given day, total delivery to all customers will not exceed the safe yield of the System.
2. The uninterruptible contract amount in million gallons per day is the maximum amount (in million gallons), which is to be withdrawn in any 24 hour period, except as indicated below under the option water use schedule.

Optional Water Use Schedule

3. a) When the total of all uninterruptible contract amounts is equal to or less than 25 mgd, the Purchaser shall have the option of using up to 20 percent more of the total amount for any given month determined by the product of the Purchaser's uninterruptible contract amount in mgd times the number of days in that month. No less than 80 percent of the total amount is to be used in any month during the calendar year. The total use in any 24 hour period, when this option is exercised, shall not exceed 120 percent of the Purchaser's uninterruptible contract amount. The total amount of water delivered to each Purchaser exercising this option in any one calendar year period shall not exceed the product of the uninterruptible contract amount in mgd times the number of days in the calendar year.

b) Any Purchaser exercising this option shall submit a water use plan to the Authority by December 15 for the next calendar year, indicating the proposed water use in each and every month during the calendar year. The Authority shall review the water use plan to assure compliance with the terms of the uninterruptible contract so that the total annual amount will not be exceeded for the calendar year. If for any reason the Purchaser requires a change to the water use plan, the Purchaser shall notify the Authority, in writing, not later than fifteen days prior to the beginning of the month required to institute a change in the water use plan.

c) The Annual Payment payable to the Authority by the Purchaser shall be paid in equal quarterly payments.

d) The use of this option by a Purchaser may at times require the release of stored water from the Manasquan Reservoir, when it would not otherwise be required to satisfy the sustained daily delivery of the total uninterruptible amounts under contract at the time. All Purchasers exercising this option will be assessed an additional charge to cover the increased operating costs associated with such extraordinary releases of stored water from the Reservoir.

e) When the total amount of uninterruptible water supply contracts exceeds 25 mgd, the optional water use schedule as defined above will not be available, and all Purchasers will then be limited to the use of not more than the uninterruptible contract amount in any 24 hour period.

APPENDIX B

7:11-4.17 Procedures for rate adjustments

(a) Prior to amending the schedule of rates, charges and debt service Assessments established by this subchapter, the Authority shall:

1. Provide notice and an explanation outlining the need for the proposed rate adjustment to all purchasers; the Department of the Treasury, Division of Ratepayer Advocate; the Board of Public Utilities and other interested persons at least six months prior to the proposed effective date. This notice and explanation shall be deemed to be part of the record of the proceedings.

2. Provide supporting documents and financial records of the Authority, at the Authority's cost, in support of the proposed adjustment to all purchasers; the Department of the Treasury, Division of Ratepayer Advocate; the Board of Public Utilities and other interested persons upon request, and make such documents and records available for review at the Authority's offices in Clinton, New Jersey at the time notice of the proposed amendment to the rates is given. These supporting documents and financial records shall be deemed to be part of the record of the proceedings for purposes of preparing the hearing officer's report required under (a)9 below;

3. Afford purchasers, the Department of the Treasury, Division of Ratepayer Advocate and the Board of Public Utilities and other interested persons the opportunity to submit written questions and requests for additional data prior to the time of the meeting required under (a)4 below. The Authority staff shall provide written answers to the questions and supply the additional data requested prior to the meeting;

4. Schedule a meeting with the purchasers, the Department of the Treasury, Division of Ratepayer Advocate and the Board of Public Utilities and other interested persons within 45 days after sending them notice of the proposed amendments to the rate schedule regarding the proposed amendments;

i. At the meeting the purchasers, the Department of the Treasury, Division of Ratepayer Advocate, Counsel and the Board of Public Utilities and other interested persons will be invited to submit written questions which will be put into the hearing record and which will be answered by the Authority at the public hearing;

ii. In order to be answered at the public hearing, questions must be received by the Authority no later than 15 days prior to the public hearing. The Authority will make every reasonable effort to answer those questions received less than 15 days prior to the public hearing at the time of the hearing. All questions will be answered as part of the record and the comments and responses will be included in the hearing report prepared pursuant to (a)9 below;

5. Hold a public hearing on the proposed rate adjustment. One or more members of the Authority will serve as the hearing officer. The public hearing agenda shall include, but not be limited to:

i. An opening statement by the hearing officer;

ii. The Authority's answers to the questions raised prior to the hearing by the purchasers, the Department of the Treasury, Division of Ratepayer Advocate, the Board of Public Utilities and other interested persons;

iii. Oral statements, written statements and any supporting evidence presented by interested persons; and

iv. Questions of the Authority by the purchasers, the Department of the Treasury, Division of Ratepayer Advocate, the Board of Public Utilities, and any interested persons on any aspect of the need for, the basis of, or any provision of the proposed rate adjustment. Follow up questions relative to the answers of the Authority may also be directed to the Authority during the public hearing;

6. Attempt to answer all questions raised at the public hearing. In the event that a response cannot be immediately given at the public hearing, then a written response shall be prepared within 10 working days after the public hearing, and a copy of that written response will be provided to all contractual water purchasers, the Department of the Treasury, Division of Ratepayer Advocate, Board of Public Utilities and attendees at the hearing and made a part of the hearing record;

7. Permit, within 10 working days after receipt of the answer, contractual water purchasers, the Department of the Treasury, Division of Ratepayer Advocate, the Board of Public Utilities and attendees to respond in writing to the answers of the staff for the record;

8. Hold the public comment period open for at least 25 working days after the public hearing in order to allow additional written comments to be submitted; and

9. After the public comment period is closed, require a hearing officer's report, which is to include findings of fact and specific responses to all issues and questions raised during the public hearing proceedings, to be prepared and submitted to the Authority prior to the Authority taking final action on the proposal.

(b) In addition to the above requirements, the Authority will follow all the requirements for rule making established pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq.

SCHEDULE 1



State of New Jersey

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Mail Code 401-04Q

Division of Water Supply & Geoscience
New Jersey Geological and Water Survey Element
Bureau of Water Allocation & Well Permitting
401 E. State Street - P.O. Box 420
Trenton, New Jersey 08625-0420
Tel #: (609) 984-6831 - Fax #: (609) 633-1231
<http://www.nj.gov/dep/watersupply/>

CHRIS CHRISTIE
GOVERNOR

KIM GUADAGNO
LT. GOVERNOR

BOB MARTIN
COMMISSIONER

May 20, 2015

Henry S. Patterson
Executive Director
New Jersey Water Supply Authority
1851 State Highway 31
P.O. Box 5196
Clinton, NJ 08809

Eric Olsen, P.E.
Chief Operating Officer
Shorelands Water Company, Inc.
1709 Union Avenue
P.O. Box 158
Hazlet, NJ 07730

Re: Manasquan Reservoir Apportionment
Program Interest ID 1352005
Water Supply Contract Review, CTR150002

Dear Sirs:

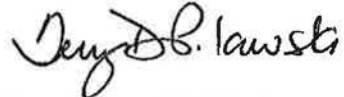
The Department of Environmental Protection has reviewed the New Jersey Water Supply Authority's (NJWSA) and the Shorelands Water Company's contract approval application dated March 18, 2015, and request for an apportionment of water to the Shorelands Water Company from the NJWSA's Manasquan Reservoir system,

The Shorelands Water Company is hereby granted an apportionment of 2.007 million gallons per day (mgd), an increase from the previously approved 1.928 mgd, from the Manasquan Reservoir system which is operated by the NJWSA. Receipt of this apportionment letter allows the Shorelands Water Company a guaranteed non-critical source of water supply until June 30, 2040.

Enclosed for your records is a copy of the Contract Review Worksheet prepared in accordance with N.J.A.C. 7:19-7 et seq. for the agreement between the NJWSA and the Shorelands Water Company.

If you have any questions concerning this matter, please contact Chelsea Du Brul, of my staff, at (609) 984-6831 or by email at chelsea.dubrul@dep.nj.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Pilawski". The signature is written in a cursive style with a large initial "T".

Terry Pilawski, Chief
Bureau of Water Allocation and Well Permitting

Enclosure

c: Diane Zalaskus, Chief, Bureau of Water System Engineering

Certified Mail No.:

Contract No. 1352005-1339001

CONTRACT REVIEW
WORKSHEET

Contracting Parties

(Seller): New Jersey Water Supply Authority
1851 Highway 31
P.O. Box 5196
Clinton, NJ 08809

(Buyer): Shorelands Water Company, Inc.
1709 Union Avenue
P.O. Box 158
Hazlet, NJ 07730

Date of Request: March 18, 2015

Type of Contract: Modification with Renewal of existing contract

Terms of Contract: 25 Years

Effective Date: July 1, 2015 Expiration Date: June 30, 2040

Current Contract Amounts: 1.928 MGD, 59.768 MGM*, 703.720 MGY*
*No monthly or annual specified, daily multiplied by 31 and 365

Proposed Contract Amounts: 2.007 MGD, 62.217 MGM*, 732.500 MGY
*No monthly specified, daily multiplied by 31

PARTY RECEIVING – SHORELANDS WATER COMPANY

Allocation Permit Nos.: 5066

Sources	Allocation	
	MGM	MGY
CA 1 – Upper PRM	130.000	476.841
CA 1 – Middle PRM	100.500	339.689
Overall Allocation	235.000	819.530

Storage: 5.58 MG

Shorelands' Interconnections				
Interconnection with	No.	Size (in)	Supplier - Receiver	Use
Borough of Keyport	1	8	1339001-1322001	Bulk Sale
NJAWC – Long Street Chamber	1	12-8	1339001-1345001	Bulk Sale
NJAWC - Union Beach Chamber 1	1	12-10	1339001-1350001	Bulk Sale
NJAWC – Cat Bird Alley Chamber	1	12	1339001-1345001	Emergency
NJAWC – Union Beach Chamber 2	1	12-10	1339001-1350001	Bulk Sale
NJAWC – Shorelands & Bethany Rd Interconnect #7	1	8	1345001-1339001	Bulk Purchase
NJAWC – Shorelands Middle Rd Interconnect #2	1	12	1345001-1339001	Bulk Purchase
NJAWC – Shorelands Palmer Ave Interconnect #5	1	12-6	1345001-1339001	Bulk Purchase
NJAWC – Shorelands Van Brackle/Iron Hill Interconnect #6	1	8	1345001-1339001	Bulk Purchase
NJAWC – Shorelands Crawfords Corner Interconnect #1	1	16-12	1345001-1339001	Bulk Purchase
Aberdeen Highschool – Gerard Avenue	1		1339001-1330003	Bulk Sale

Shorelands' Contracts for Purchase				
System Name		Contract Amount	Effective-Expiration Date	Status
New Jersey Water Supply Authority		2.007 MGD 62.217 MGM 732.500 MGY	7/1/2015-6/30/2040, Amended from 1.9 to 1.928 MGD in June 2006	In process of modification with renewal
New Jersey American Water – Coastal North*	Jan-Mar	7.000 MGD 140.000 MGM 1,053.390 MGY	7/1/2009-6/30/2015	Active
	Apr& Oct	7.000 MGD 160.000 MGM 1,053.390 MGY		
	5/1-5/21	3.500 MGD 80.000 MGM 1,053.390 MGY		
	5/22-5/31	1.800 MGD 80.000 MGM 1,053.390 MGY		

Shorelands' Contracts for Purchase				
System Name		Contract Amount	Effective-Expiration Date	Status
	Jun-Aug	1.800 MGD		
		32.700 MGM		
		1,053.390 MGY		
	9/1-9/15	1.800 MGD		
		80.000 MGM		
		1,053.390 MGY		
	9/16-9/30	3.750 MGD		
		80.000 MGM		
		1,053.390 MGY		
	Nov-Dec	7.000 MGD		
		150.000 MGM		
		1,053.390 MGY		
Total Contract Purchase		MGD** MGM** 1,053.390 MGY		

*This contract includes water being transferred from the NJ Water Supply Authority for Shorelands, Keyport, and New Jersey American – Union Beach.

**See schedule for NJAWC

Shorelands' Contracts for Transfer/Sale				
System Name		Contract Amount	Effective-Expiration Date	Status
New Jersey American Water – Coastal North (Longstreet)		0.500 MGD	2/28/2009-2/28/2024	Active
		2.000 MGM		
		20.000 MGY		
Aberdeen Township		0.100 MGD	4/17/2009-12/31/2024	Active
		3.000 MGM		
		15.000 MGY		
New Jersey American Water – Union Beach	Jan-Apr	1.100 MGD	7/26/1990-6/30/2015	In process of renewal
		24.000 MGM		
		182.500 MGY		
	May-Sep	0.400 MGD		
		13.250 MGM		
		182.500 MGY		
	Oct-Dec	1.100 MGD		
		27.000 MGM		
		182.500 MGY		

Shorelands' Contracts for Transfer/Sale				
System Name	Contract Amount		Effective-Expiration Date	Status
Borough of Keyport*	Jan- Apr& Sep- Dec	1.000 MGD 24.000 MGM 167.170 MGY	7/1/1990-6/30/2015	In process of renewal
	Jun- Aug	0.010 MGD 0.200 MGM 167.170 MGY		
	Total Contract Sales			

*This is a transfer contract of NJ Water Supply Authority Water for the Borough of Keyport. Contract is currently being renewed/modified to reduce their contract limits to 0.356 MGD, 11.036 MGM, 129.94 MGY.

Systems Own Water Needs (Normal Day Demand): 3.652 MGD (Annual Average Daily Demand for the last three non-drought years, 2012 to 2014), equivalent to 1,332.995 MGY.

Systems Own Water Needs (Peak Demands): 7.143 MGD (peak daily 7/2010); 221.438 MGM (peak monthly 7/2010); 1,502.361 MGY (Peak annual 2010 (equivalent to 4.116 MGD))

PARTY DELIVERING – NEW JERSEY WATER SUPPLY AUTHORITY

Allocation Permit No.: 4034PSX (Permits 4034PS* & 4036PS)

Water Assets:

Sources	Allocation	
	MGD	MGM
Manasquan River (4036PS)	150	4,650
Total	150	4,650

*Permit 4034PS does not contain allocation

Storage: 4.7 BG

New Jersey Water Supply Authority's Interconnections			
Interconnection with	No.	Size (in)	Use
Brielle	1	8	Bulk Sale
Sea Girt	1	8-12	Bulk Sale
Spring Lake Borough	1	8-12	Bulk Sale
Spring Lake Heights	1	10	Bulk Sale
Wall Township	2	20-12	Bulk Sale
Southeast Monmouth MUA	1	18	Bulk Sale

New Jersey Water Supply Authority's Interconnections			
Interconnection with	No.	Size (in)	Use
NJAWC - Glendola	1	36	Bulk Sale
NJAWC - Oak Glen	1	36	Bulk Sale

New Jersey Water Supply Authority's Contracts for Sale					
System Name	Contract Amount (MGD)	Proposed Contract Amount (MGD)	Effective-Expiration Date	Treated Manasquan Water Received From	Status
Avon-by-the-Sea Borough	0.142	0.126	7/1/1990-6/30/2015	NJAWC	In renewal process
Belmar Borough	0.650	0.288	7/1/1990-6/30/2015	NJAWC	In renewal process
Brielle Borough	0.450	0.450	7/1/1990-6/30/2015 Amended 2004	SMMUA	In renewal process
Keyport Borough	0.458	0.356	7/1/1990-6/30/2015	Shorelands	In renewal process
Lake Como Borough	0.100	0.100	7/1/1990-6/30/2015	NJAWC	In renewal process
Matawan Borough	0.469	0.332	7/1/1990-6/30/2015	NJAWC	In renewal process
Red Bank Borough	0.778	0.548	7/1/1990-6/30/2015	NJAWC	In renewal process
Sea Girt Borough	0.075	0.040	7/1/1990-6/30/2015	SMMUA	In renewal process
Shorelands Water	1.928	2.007	7/1/1990-6/30/2015 Amended 2006	NJAWC	In renewal process
Spring Lake Borough	0.310	0.310	7/1/1990-6/30/2015	SMMUA	In renewal process
Spring Lake Heights	0.425	0.386	7/1/1990-6/30/2015 Amended 2004	SMMUA	In renewal process
Wall Township	2.275	2.000	7/1/1990-6/30/2015 Amended 2004	SMMUA	In renewal process

New Jersey Water Supply Authority's Contracts for Sale					
System Name	Contract Amount (MGD)	Proposed Contract Amount (MGD)	Effective-Expiration Date	Treated Manasquan Water Received From	Status
New Jersey American Water	12.500	12.500*	1/1/2005-6/30/2031	Receives raw water	Amendment in process
<i>Total</i>	<i>20.560</i>	<i>19.443</i>			

*Jun-Aug peak 15.0 MGD, annual limit based on 12.5 MGD

NJAWC – New Jersey American Water Company
 SMMUA – Southeast Monmouth Municipal Utilities Authority

Safe Yield: 30 MGD

The New Jersey Water Supply Authority does not have their own customer base, they are strictly bulk sellers.

New Jersey Water Supply Authority's Unique Permit Conditions	
4036PS	Diversion from the Manasquan River shall be reduced as necessary so that river flow immediately downstream of the intake shall be ≥ 12 cubic feet per second.
4034PS	Releases from the Manasquan Reservoir shall be maintained at the flow of ≥ 0.3 cubic feet per second immediately below the dam on Timber Swamp Brook.

ANALYSIS:

New Jersey Water Supply Authority's Total Water Availability	
Based on the following:	MGD
Approved Safe Yield	30.000
Purchases	0.000
Guaranteed Contract Sales	19.443
Committed Peak Demands	0.000
= Total Water Available	10.557

RECOMMENDATIONS:


The Manasquan River and Reservoir System (PWSID 1352005) will continue to have a surplus of 10.557 MGD after the revised contract sales. Therefore, it is the Bureau's decision that the New Jersey Water Supply Authority could continue to safely provide Shorelands with a maximum of 2.007 MGD, while still supplying their other contractual obligations. It appears that

the contract amount of 2.007 MGD, combined with Shorelands existing allocation and additional purchases, will be sufficient to meet their demands.

Therefore, in accordance with N.J.A.C. 7:19-7.3, this contract should be approved at the suggested rates.

 5/20/15

Prepared by Chelsea Du Brul

Approval 

Date 5/20/15