

## CHAPTER 82

**AN ACT** concerning the Spruce Run and Round Valley reservoirs, revising parts of the statutory law, and making an appropriation.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. R.S.58:4-1 is amended to read as follows:

Reservoir, dam restrictions.

58:4-1. a. No municipality, corporation or person shall, without the consent of the Commissioner of Environmental Protection, hereafter in this chapter designated as the commissioner, build any reservoir or construct any dam, or repair, alter or improve existing dams on any river or stream in this State or between this State and any other state which will raise the waters of the river or stream more than five feet above its usual mean low-water height.

No municipality, corporation or person shall, without the consent of the commissioner, build any reservoir or construct any dam, or repair, alter or improve existing dams in the pinelands area, as designated by subsection a. of section 10 of P.L.1979, c.111 (C.13:18A-11), which will raise the waters of any river or stream more than eight feet above the surface of the ground where the drainage area above the dam or reservoir is more than one square mile in extent and where the water surface created by the dam or reservoir is more than 100 acres in extent.

The commissioner may investigate and take appropriate action regarding any dam or reservoir about which the commissioner has a security or safety concern.

With respect to dams and reservoirs located on lands utilized for agricultural or horticultural purposes within the pinelands area, the commissioner's actions shall be undertaken after consultation with the Secretary of Agriculture.

b. The commissioner shall not require a permit for the repair of any dam used for agricultural purposes within a special agricultural production area designated pursuant to N.J.A.C.7:50-5.14 in the pinelands area.

2. Section 7 of P.L.1958, c.34 (C.58:22-7) is amended to read as follows:

C.58:22-7 Restrictions on pumping water from south branch of Raritan river, release into Prescott brook, Round Valley reservoir.

7. No water shall be pumped from the south branch of the Raritan river into the Round Valley reservoir whenever the flow in the Raritan river is less than 40 million gallons daily at the United States Geological Survey stream gauging station at Stanton, or less than 70 million gallons daily at the United States Geological Survey stream gauging station at Manville, or less than 90 million gallons daily at the United States Geological Survey stream gauging station at Bound Brook.

Not less than 830,000 gallons of water daily shall be released at all times into Prescott brook from the Round Valley reservoir and at all times not less than 170,000 gallons of water daily shall be released into the south branch of the Rockaway creek from the Round Valley reservoir.

3. Section 8 of P.L.1958, c.34 (C.58:22-8) is amended to read as follows:

C.58:22-8 Release of water into south branch of Raritan river from Spruce Run, Round Valley reservoirs.

8. a. Whenever the flow of water in the south branch of the Raritan river is less than 40 million gallons daily at the United States Geological Survey stream gauging station at Stanton, or less than 70 million gallons daily at the United States Geological Survey stream gauging station at Manville, or less than 90 million gallons daily at the United States Geological Survey stream gauging station at Bound Brook, a sufficient amount of water shall be released from the Spruce Run reservoir, or from the Round Valley reservoir or any other reservoir or reservoirs as may be constructed on the Raritan river or its tributaries, and from the Round Valley reservoir in the amounts as will maintain not less than the aforementioned flows of 40 million gallons daily at Stanton and 70 million gallons daily at Manville and 90 million gallons daily at Bound Brook, and the released water shall be returned to the south branch of the Raritan river at the point of diversion or pumping into the reservoir or at some point upstream thereof, except that the

amount of water to be released from the Spruce Run reservoir shall not exceed an amount which lowers the water level in the reservoir between June 1 and August 31 more than 8 feet below its usual mean high-water height of each year to ensure the continued availability of the Spruce Run reservoir for water recreational activities.

b. The commissioner is authorized to alter the passing flow requirements set forth in subsection a. of this section as necessary to ensure the protection of the public health, safety or welfare, or the protection of the environment.

c. The commissioner shall alter the releases of water from the Spruce Run reservoir or the Round Valley reservoir as provided in subsection a. of this section whenever there are inadequate moneys in the New Jersey Water Supply Authority Round Valley Fund created pursuant to section 7 of P.L.2001, c.82 (C.58:1B-9.2) for the New Jersey Water Supply Authority to replenish the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir.

4. Section 5 of P.L.1981, c.293 (C.58:1B-5) is amended to read as follows:

C.58:1B-5 Water supply facilities operated by authority, disposition of revenue.

5. a. All water supply facilities, owned or operated by the State, either now or hereafter, are transferred to the authority. The authority shall operate these facilities pursuant to the statutory authorizations enabling the State to operate and manage the facilities. The Delaware and Raritan Canal Transmission Complex, the Spruce Run-Round Valley Reservoir Complex and all other State-operated facilities now or hereafter authorized to be designed, constructed and operated pursuant to any past or future bond issues, including the "Water Supply Bond Act of 1981," P.L.1981, c.261, as amended by P.L.1983, c.355 and P.L.1997, c.223, are specifically included as State water supply facilities.

b. The revenue from all State water supply facilities, the disposition of which is not otherwise expressly provided for by law, is pledged to the authority for the purposes provided in the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.).

5. Section 9 of P.L.1981, c.293 (C.58:1B-9) is amended to read as follows:

C.58:1B-9 Issuance of bonds.

9. a. The authority is hereby empowered from time to time to issue its bonds in the principal amounts as in the opinion of the authority shall be necessary to provide sufficient funds for any of its corporate purposes, including the payment, funding or refunding of the principal of, or interest or redemption premiums on, any bonds issued by it, whether the bonds or interest to be funded or refunded have or have not become due, the establishment or increase of the reserves to secure or to pay the bonds or interest thereon and all other costs or expenses of the agency incident to and necessary to carry out its corporate purposes and powers.

b. Except as may be otherwise expressly provided in the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) or by the authority, every issue of bonds shall be general obligations payable out of and secured by any revenues or funds of the authority, subject only to any agreements with holders of particular bonds pledging any particular revenues or funds. The authority may issue the types of bonds as it may determine, including, without limiting the generality of the foregoing, bonds as to which the principal and interest are payable (1) exclusively from the revenues and funds derived from or relating to the project or part thereof financed with the proceeds of the bonds; (2) exclusively from the revenues and funds derived from or relating to certain designated projects or parts thereof, whether or not the same are financed in whole or in part from the proceeds of bonds; (3) exclusively from certain designated funds of the authority; or (4) from the revenues and funds of the authority generally. The bonds may be additionally secured by a pledge of any grant, subsidy or contribution from the United States of America or any agency or instrumentality thereof or the State of New Jersey or any agency, instrumentality or political subdivision thereof, or any person, or a pledge of any income or revenues, funds or moneys of the authority from any source whatsoever.

c. Whether or not the bonds are of such form and character as to be negotiable instruments

under the terms of Title 12A of the New Jersey Statutes, the bonds are hereby made negotiable instruments within the meaning of and for all the purposes of Title 12A of the New Jersey Statutes, subject only to the provisions of the bonds for registration.

d. Bonds of the authority shall be authorized by a resolution or resolutions of the authority and may be issued in one or more series and shall bear the date or dates, mature at the time or times, bear interest at the rate or rates of interest per annum, be in the denomination or denominations, be in the form, either coupon or registered, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable from the sources, in the medium of payment at the place or places within or without the State, and be subject to the terms of redemption, with or without premium, as the resolution or resolutions may provide.

e. Bonds of the authority may be sold at public or private sale at the price or prices and in the manner as the authority shall determine. Every bond shall mature and be paid not later than 40 years from the date thereof.

f. Bonds may be issued under the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) without obtaining the consent of any department, division, commission, board, bureau or agency of the State, and without any other proceeding or the happening of any other conditions or other things than those proceedings, conditions or things which are specifically required by the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.).

g. Bonds of the authority issued under the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the authority and shall not create or constitute any indebtedness, liability or obligation of the State or of the political subdivision or be or constitute a pledge of the faith and credit of the State or of the political subdivision but all the bonds, unless funded or refunded by bonds of the authority, shall be payable solely from revenues or funds pledged or available for their payment as authorized pursuant to the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.). Each bond shall contain on its face a statement to the effect that the authority is obligated to pay the principal thereof or the interest thereon only from revenues or funds of the authority and that neither the State nor any political subdivision thereof is obligated to pay the principal or interest and that neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or the interest on the bonds.

h. Except as may be otherwise expressly provided in the provisions of subsection i. of this section, all expenses incurred in carrying out the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) shall be payable solely from revenues or funds provided or to be provided under the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) and nothing in the provisions of P.L.1981, c.293 (C.58:1B-1 et seq.) shall be construed to authorize the authority to incur any indebtedness or liability on behalf of or payable by the State or any political subdivision thereof.

i. The authority may receive moneys from the New Jersey Water Supply Authority Round Valley Fund created pursuant to section 7 of P.L.2001, c.82 (C.58:1B-9.2) to defray the additional, reasonable energy or water expenses incurred in replenishing the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8).

C.58:1B-9.1 Annual appropriation to authority for certain energy or water expenses.

6. a. In order to defray the additional, reasonable energy or water expenses incurred by the New Jersey Water Supply Authority in replenishing the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8), the Legislature shall annually appropriate from the General Fund to the authority such sums as may be necessary for this purpose.

b. The Commissioner of Environmental Protection shall certify to the Legislature the actual energy or water expenses incurred by the authority in replenishing the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir. The commissioner may require the authority to provide additional information verifying that the additional energy or water expenses incurred by the authority are reasonable and based upon the lowest possible electric utility rates available.

C.58:1B-9.2 New Jersey Water Supply Authority Round Valley Fund.

7. a. The New Jersey Water Supply Authority Round Valley Fund is established as a nonlapsing, special fund in the Department of the Treasury. The moneys in the fund are specifically dedicated and allocated to, and shall be used to defray the additional, reasonable energy or water expenses incurred by the New Jersey Water Supply Authority in replenishing the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8). Interest received on moneys in the fund shall be credited to the fund. Moneys in the fund may not be used for the routine operation and maintenance expenses of the authority. Moneys in the fund may be used by the Department of Environmental Protection for the additional, reasonable expenses incurred for additional monitoring which may be necessary, from time to time, to augment the continuous monitoring required of the department pursuant to section 8 of P.L.2001, c.82 (C.58:22-8.1).

(1) The fund shall be fully funded at a first year level of \$350,000, and shall be fully funded annually thereafter at a level of not less than \$225,000 but not more than \$350,000 on July 1 of each fiscal year.

(2) The Legislature shall annually appropriate from the General Fund to the fund such sums as may be necessary to maintain the levels prescribed in this subsection, except that no annual appropriation shall be less than \$40,000.

b. The sum of \$350,000 shall be deposited in the fund from the moneys made available pursuant to section 9 of P.L.2001, c.82, and from all interest received from the investment of moneys in the fund, and from any moneys which, from time to time, may otherwise become available for the purposes of the fund.

c. Pending the use thereof as provided in subsection a. of this section, the moneys in the fund shall be held in interest-bearing accounts in public depositories as defined in section 1 of P.L.1970, c.236 (C.17:9-41), and may be invested and reinvested in such securities as are approved by the State Treasurer, in the manner provided by law.

C.58:22-8.1 Continuous monitoring for compliance with C.58:12A-1 et seq.; altering of releases.

8. a. In order to ensure that safe yield is maintained and the drinking water quality standards adopted pursuant to the "Safe Drinking Water Act," P.L.1977, c.224 (C.58:12A-1 et seq.) are met, the Commissioner of Environmental Protection shall provide for the continuous monitoring of the impacts associated with releasing water from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8).

b. The commissioner is authorized to alter the releases of water from the Spruce Run reservoir or the Round Valley reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8) as necessary to ensure the protection of the public health, safety or welfare, or the protection of the environment.

c. The commissioner shall alter the releases of water from the Spruce Run reservoir or the Round Valley reservoir as provided in subsection a. of section 8 of P.L.1958, c.34 (C.58:22-8) whenever there are inadequate moneys in the New Jersey Water Supply Authority Round Valley Fund created pursuant to section 7 of P.L.2001, c.82 (C.58:1B-9.2) for the New Jersey Water Supply Authority to replenish the water released from the Round Valley reservoir for the purpose of sustaining water recreational activities at the Spruce Run reservoir.

9. There is appropriated from the General Fund to the New Jersey Water Supply Authority Fund created pursuant to section 7 of P.L.2001, c.82 (C.58:1B-9.2) the sum of \$350,000

10. This act shall take effect immediately.

Approved May 4, 2001.