

SENATE ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE, No. 107

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 18, 1996

The Senate Environment Committee favorably reports Senate Bill No. 107 with committee amendments.

As amended, this bill appropriates to the Department of Environmental Protection (1) \$20 million from the "Water Supply Fund" created by the "Water Supply Bond Act of 1981," P.L.1981, c.261 and (2) the unexpended balances of prior appropriations made to the department for water supply rehabilitation project loans pursuant to section 1 of P.L.1982, c.131, section 1 of P.L.1985, c.99, section 1 of P.L.1987, c.309 and section 1 of P.L.1991, c.351.

The \$20 million made available under this bill is derived from a portion of the moneys repaid to the "Water Supply Fund" as repayments of principal on loans for local water supply projects made available from the "Water Supply Fund" between 1982 and 1992.

The bill authorizes the department to utilize these moneys for loans for local projects to rehabilitate, repair or consolidate antiquated, damaged or inadequately operating water supply facilities, as recommended in the New Jersey Statewide Water Supply Plan.

The bill provides that these moneys would be allocated by the department for loans to local governments for water supply projects for which loan applications have been received by the department and prioritized in accordance with regulations adopted therefor.

The bill provides further that the department may utilize any remaining moneys appropriated under this bill, which are not utilized for loans to local governments for projects enumerated in subsection b. of section 1 of the bill, for other local water supply projects for which applications are received and prioritized by the department, provided that the presiding officers of each House of the Legislature are notified, in writing, regarding the allocation of the remaining moneys.

The bill also authorizes the Commissioner of Environmental Protection to allocate a portion of the moneys made available under this bill for personal services by contract, or by State employees for the purpose of planning, engineering, design, research, construction, property acquisition, or other costs related to the construction of

water supply projects. The expenditure of any of these moneys for personal services is subject to written approval as a transfer by the Director of the Division of Budget and Accounting in the Department of the Treasury and by the Joint Budget Oversight Committee. Upon such approval, the director would make the transfer as provided by law.

The committee amendments would clarify that the appropriation of unexpended balances of prior appropriations made to the department would be in addition to the \$20 million appropriation from the "Water Supply Fund." The unexpended balances total approximately \$598,000.